

Commonwealth of Massachusetts
Department of Public Welfare

ANNUAL REPORT
Fiscal 1973



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The Honorable Francis W. Sargent, Governor of Massachusetts
Steven A. Minter, Commissioner, Department of Public Welfare

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ANNUAL REPORT

TO: Governor Francis W. Sargent and Members of the General Court
of the Commonwealth of Massachusetts

Gentlemen:

In accordance with the provisions of Chapter 18 of the General Laws, the Department of Public Welfare is presenting this report of its activities for the period July 1, 1972, through June 30, 1973. During this past fiscal year, major action was taken at both the Federal and State levels which will have long-range impact on Massachusetts welfare programs.

In October 1972, Congress passed a major piece of welfare reform legislation, Public Law 92-603. This legislation provided for the federalization of assistance payments in the adult categories (Old Age Assistance, Disability Assistance and Aid to the Blind) effective January 1, 1974. Although the Federal Government will be administering the new Supplemental Security Income Program and paying the basic amount of the grant, it will be necessary for the Commonwealth to supplement the Federal grant. In addition, Public Law 92-603 provided for a liberalization of Medicaid eligibility requirements. Although this new legislation is progressive, it is important to note that it does not truly reduce the fiscal obligation of the Commonwealth for its elderly, blind, and disabled citizens.

The new legislation represents a major stride toward a guaranteed annual income program for all elderly, disabled, and blind adults and a basic change in the traditional Federal-State funding procedures since Massachusetts will pay HEW to administer the program. As fiscal year 1973 concluded, the Welfare Department and the Social Security Administration were jointly engaged in a mammoth conversion program to assure an orderly transition of payment functions.

Social Service Program Expansion was affected by two major developments: first, the Congress amended the Social Security Act to place a ceiling on the amount of funds each state (\$69.5 million for Massachusetts) could receive in Federal reimbursements as well as to establish certain priority categories of social services; second, HEW attempted to revise its regulations in order to target expenditures to certain programs and current recipients of public assistance. The combined effect of law and regulations threatened to restrict, and in some instances, totally eliminate existing programs.

A strong coalition of governors, state legislatures, state public welfare administrators, public and voluntary agencies, citizen groups, etc. convinced the Congress to delay the implementation of the proposed HEW regulations until November 1973. Meanwhile, plans for expanding public social service programs through contracts between the Department of Public Welfare and other State agencies proceeded with caution.

In the program area, special attention should be called to the fact that public assistance recipients of Old Age Assistance, Disability Assistance, Aid to Families with Dependent Children, and General Relief received cost-of-living grant increases during fiscal year 1973. Also, the Governor's Commission on Adoption and Foster Care issued its report in March of 1973 which stimulated action to improve the quality of care for foster children.

The Department of Public Welfare has made tremendous strides in the past year in implementing the Financial Management Control System. The Recipient Payment System which provides a computerized recipient file was completed in December 1972. In January 1973, the Legislature released Emergency Reserve Funds which enabled the Department to begin implementation of the Vendor Payment System. By March, Medicaid identification Cards were issued to every eligible Medicaid client in the State. By May, a Medical Claims Processing Center was installed in Westborough to handle the processing of vendor bills. By June, an agreement was signed with Blue Cross and Blue Shield to process all Medicaid/Medicare claims. By July, a contract was signed with Pilgrim Health Applications, Inc. to act as a third-party intermediary processing all pharmaceutical claims which amount to about 40 percent of the paperwork involved in processing medical vendor bills.

In addition to the Financial Management Control System, various steps have been taken during the past fiscal year to improve management and control. Various State Letters and memoranda have gone to staff revising and reinforcing present policy. A "beefed up" Support Enforcement Unit and an intensified Training Program are also beginning to show some results.

It should also be noted that the Executive Office of Human Services, under the leadership of Secretary Peter C. Goldmark, focused on inter-departmental efforts to improve key service programs for children with special problems who seem to become lost between agencies. In addition, a major reorganization proposal that would drastically restructure the existing Human Service agencies was submitted to the General Court for action.

A review of this report will give you a better perspective on the broad range of activities that the Department has undertaken in order to provide financial assistance and social services, as well as to assure proper accountability for its expenditures.

Respectfully yours,


STEVEN A. MINTER
Commissioner

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PART I

MAJOR CHANGES IN THE OAA, DA, AFDC, MA, AND GR PROGRAMS

During Fiscal Year July 1st, 1972 through June 30th, 1973, the Office of Policies and Procedures worked with the Assistant Commissioners and the Directors of the different divisions in the Department in developing or changing policies, procedures, forms, reports, etc. These changes came as a result of Federal and State legislation as well as Departmental decisions to meet the needs of individuals, families and children served by our programs. This work included the drafting, editing and collating of the attached, summarized official written material sent to the Secretary of Administration and Finance, the Secretary of State, Department staff, State Librarian, the Governor's office as well as the U. S. Department of Health, Education and Welfare.

The following material highlights the important changes in the OAA, DA, AFDC, MA, Cuban Refugee Program, Emergency Assistance, GR, Child Welfare and research programs of the Department.

State Letter 295 - Personal Needs Allowance in Nursing Homes, Intermediate Care Facilities, Chronic Hospitals and Public Medical Institutions

Provided that recipients receiving care in licensed nursing homes, licensed chronic hospitals or in any approved public medical institution shall receive or retain the first thirty (\$30) dollars a month of any income for clothing, personal needs and leisure time activities.

State Letter 245E - Advance Notice of Intent to Terminate Suspend or Reduce Assistance

Reinstated procedural instructions on advance notice of intent to terminate, suspend or reduce assistance.

State Letter 245F - Form Letters for Notification of Approval, Denial or Increase in Assistance

Transmitted form letters for notification of approval, denial or increase in assistance.

State Letters 296, 296A - Uniform Method of Computing Rental Exceptions

Changed the procedure for computing rental exceptions. Eliminated the step of referral to WSO Director, making the social worker sponisible for granting rental exceptions but stressed the importance of first verifying actual rental cost.

State Letter 297 - Uniform Hardship Guidelines: Revised Payment Procedure - AFDC

Provided uniform state-wide hardship guidelines supplanting those previously established by the individual regions. Announced phasing-in of a centralized payment system by the Office of Finance, initially for the Boston and Greater Boston regions in September then extending as experience is gained to encompass other regions.

State Letter 298 - Special (Therapeutic) Diets; Protection of Individual's Rights

Gave explicit expression to the therapeutic objectives of special dietary allowances. Spelled out procedures for establishing and documenting the need for Special (Therapeutic) Diets and resultant budget changes.

Assured applicant's and recipient's right to fair and equitable treatment, protection of privacy and personal dignity as well as to the safeguarding of personal information by means of strict confidentiality.

State Letter 242H - The Work Incentive Program

Announced a major change in Department's role in the Work Incentive Program (WIN) as a result of PL 92-223 and a closer working relationship between staffs of the Department and the Division of Employment Security (DES). Mandated registration of "employables"; set forth a priority system for selecting that portion of registrants to be appraised and certified as participants in the program. Set responsibility of WSO's to maintain basic records for meeting program reporting requirements. Described a wide range of manpower services available to participants through the DES-WIN teams. These include appraisal, orientation, on-the-job development, placement, counseling and supportive services. Assigned responsibility for payment of training-related expenses to DES and payment of Child Care expenses to the Department. Defined "Refusal to Register" and "Refusal to Participate" and laid out procedures to be followed by staff in the event of either type of refusal.

State Letter 299 - Revisions to the Cuban Refugee Program

Revised the Cuban Refugee Program to have it conform to the categories of assistance in all respects, effective September 16, 1972. Gave advance notice of proposed HEW rule change to limit eligibility for the (CRP) program only to those refugees with "less than five years residence in the United States". Stated it was essential therefore that CRP case records contain information on duration of residence.

State Letter 299A - Cuban Refugee Program - Right of Appeal and Confidentiality

As proposed by U.S. Department of Health, Education and Welfare, staff were reminded to extend the same rights of appeal and confidentiality to Cuban Refugee Program applicants and recipients as for applicants and recipients of all other categories of assistance. A re-statement of existing Department policy.

State Letter 300 - Increase in Transportation Allowance for OAA and DA; Cost of Living Adjustment for OAA; Increase in Medicare Part B Premium Payments; Disregard Applied to all Income in OAA and DA; Increase in OASDI Benefits and Railroad Retirement

Increased Transportation Allowance to \$17.50 a month in Old Age Assistance and to \$15.00 a month in Disability Assistance. Adjusted Old Age Assistance budgets to a 3% cost of living increase. Gave notice of increase in Medicare Part B premium payments from \$5.60 monthly to \$5.80 monthly in July 1972. Made "Disregard" (\$7.50 a month) applicable to all income in OAA and DA. Gave notice of general 20% increase in OASDI benefits. Directed "individual-case" determinations for

Railroad Retirement beneficiary - recipients. Required such benefits be considered current income in the computation of budgets.

State Letter 301 - Budgeting Procedures and Retroactive Payments

This letter clarified budgeting procedures in AFDC and GR. Among areas thus clarified were living arrangements and how to budget them; retroactive payments due to age changes of children and how to handle them; correction of arithmetical errors in budget calculations by corrective payment action retroactive to date of error.

State Letter 302 - Establishing Eligibility and Need

Drastic procedures were put into effect to reduce error percentages on eligibility, overpayments to acceptable levels. Among the steps taken were: requirement of verification of value of declared bank accounts in OAA; 100% desk review, systematic method of ensuring timely submission of medical reports to medical review team, verification of savings and cash surrender value of life insurance in DA; verification of savings and cash surrender value of life insurance in DA; verification of earnings in AFDC; verifications of income in MA.

The material in this letter also required social worker cooperation with and assistance to clients in securing necessary documentation of assets in OAA and DA and denial of assistance in instances of a client's unreasonable refusal to cooperate in accordance with Department policy.

State Letter 303 - Transfer of Cases

Initiated procedures in transfer of cases, including use of certified mail to ensure uniformity with the Department's Financial Management Control system.

State Letter 304 - WSO Responsibility for Clients Entering Public Medical Institutions, Licensed Nursing Homes and Licensed Rest Homes

Outlined new administrative procedures to be followed by each WSO/CSC for clients entering or transferring to or applying from public medical institutions, licensed rest homes effective on or after December 1, 1972. Status of pre-December 1, 1972 cases will be affected by normal attrition and turnover.

The combined effect of new procedures plus attrition and turnover of old cases will be that each CSC/WSO becomes responsible for recipient-residents in the aforementioned facilities within its individual service area.

State Letter 305 - Medicaid Eligibility Card - Temporary Eligibility Letter

Specified the steps to be taken by vendors and recipients to make effective use of the monthly Medicaid Eligibility Card and the Temporary Eligibility Letter, as evidence of eligibility for medical services, drugs or medical supplies on a month-to-month basis.

The card and letter would be used just as other health insurance identification cards.

Specifically excluded clients with available excess net income from receiving Medicaid Eligibility Cards until such excess is used up in payment of medical bills.

Listed and described administrative controls and fiscal safeguards for the system of month-to-month Medicaid eligibility.

State Letter 306 - Increase in OASDI Benefits for Certain Widows and Widowers

Contained instructions to staff for processing grant adjustments for "certain widows and widowers" who had received increases in OASDI payments effective January 1973 as result of 1972 Social Security amendments.

State Letter 307 - PA Policy Manual, Chapter IV - Revision to Instructions for the Use of AFDC Table I - Group IV - No Common Household Expenses

Revised instructions for use of AFDC Table I - Group IV - No common household expenses.

State Letter 308 - Separate Eligibility Requirements for Hospital Care Under The General Relief Program

Incorporated into the PA Policy Manual separate eligibility requirements for hospital care under the General Relief Program.

State Letter 309 - Transfer of Case Records on Closed Cases

Clarified sequence of steps necessary to complete the transfer of case records on closed cases.

State Letter 310 - OAA, DA and AFDC Recipients who Received an Assistance Payment in August 1972, and who were Terminated October 15, 1972 Because of the Increase of OASDI Benefits

Gave instructions to staff to ensure that no OAA, DA or AFDC recipients, categorically eligible for assistance in August 1972 shall, solely because of the 20% increase in OASDI benefits, lose their eligibility for Medical Assistance only.

Required identification of such cases, notification to those individuals or families whose cases were terminated in October 1972 solely because of the OASDI increase.

State Letter 311 - Revised General Relief Budgeting Procedures

Existing procedures on General Relief budgeting were clarified in this letter.

State Letter 299B - The Cuban Refugee Program

Set the time limit, effective July 1, 1973, of five (5) years of eligibility for Cuban Refugee Program and carried instructions to staff for processing changes in status for cases affected by the change.

Designated July 1, 1977 as termination date of the Program.

State Letter 272A - Welfare Service Office and Finance Unit Responsibility-
Lost or Stolen Checks - Revision of Form FCB-1

Transmitted a revised FCB-1 form (Statement of Loss) which is used when recipient requests replacement of a lost or stolen check.

State Letter 312 - AFDC - Earnings

Spelled out procedures for calculating earnings available as income from employment in AFDC. Listed a \$25.00 per month deduction for additional cost of food, clothing and personal care necessitated by employment and 12 other expenses if incurred.

MA Letters 62A - B - C - D - E - F - Revisions to Medical Care Plan

These letters continued to rearrange the format of Chapter VII of the PA Policy Manual further clarifying medical services and expanding procedures and requirements of the Medical Care Plan.

The range of material covered Administration, Vision Care, Drugs, Durable Goods and Medical Supplies, Psychological Testing, Artificial Limbs, Hearing Aids, Braces and other Rehabilitative Devices, Transportation, Private Duty Nursing as well as Restorative, Dental, Podiatry, Chiropractic, Laboratory, Physician and other services.

MA Letter 63 - Medical Care Plan - PA Policy Manual, Chapter VII - Fee Schedules

Transmitted changes in Fee Schedules as well as Pen and Ink Revisions for Chapter VII of the PA Policy Manual.

MA Letter 64 - Fee Schedule VI-D - Certified Non-Profit and Neighborhood Dental Clinics

Carried Fee Schedule VI-D on Certified Non-Profit and Neighborhood Dental Clinics.

MA Letter 65 - Chapter 779 of the Acts of 1972

Stated Department's position that payments received from Department of Veteran's Services will continue to be considered as income in determining eligibility for Medical Assistance, Chapter 779 of the Acts of 1972 notwithstanding. Chapter 779 provided that payments from Veteran's Services would not be considered, thus contravening present Federal requirement that all income and resources be taken into account in determining eligibility.

The U.S. Department of Health, Education and Welfare advised the Department that Chapter 779 of the Acts of 1972 did contravene the present Federal requirement that all income and resources must be taken into account. The Federal agency pointed out that this new law contained a saving clause which states "to the extent that such income exemption does not contravene the provisions of any general, special or Federal law." Therefore, it was decided that payments from Veteran's Services will continue to be considered as income in determining eligibility for MA.

MA Letter 66 - Monthly Net Income Exemptions in Medical Assistance

Increased the basic exemption for maintenance for an individual under MA, from \$180.00 to \$199.00 a month.

MA Letter 67 - Intermediate Care Facilities---Skilled Nursing Homes

Noted Title XIX requirement that Public Health distinguish between licensed nursing homes that qualify as "skilled nursing homes" and those which do not. Those in the latter category are automatically termed intermediate care facilities.

Implemented a Title XIX amendment (PL 92-223) by including cost of care in ICF's as a vendor payment in MA, following procedures outlined in Administrators Letter 186. Barred payment for care in these facilities under OAA or DA.

Gave procedural instructions to staff for payment of care in ICF's and declared "no change" affecting payment of care for patients in skilled nursing homes.

MA Letter 68 - Medical Care Plan - Fee Schedule II - Hospitalization; Fee Schedule II-A-Out Patient Services

Transmitted revised Fee Schedules on Hospitalization and Out-Patient Services.

MA Letter 69 - Multiple Handicapped Children

Described recent revisions to Public Health and Welfare regulations which permit nursing home placement of Multiple Handicapped Children under age 21.

Traced the predominant role of Public Health in the functions of medical screening, certification of children as multiple handicapped and selection of appropriate special certified nursing homes.

Detailed steps to be taken in implementing the participating Departments of Public Health and Public Welfare. Assigned responsibility for MA eligibility determination and payments for care to Public Welfare.

MA Letter 70 - Rules and Regulations on Personal Needs Allowance for Recipients Age 65 or Over in Long-Term Care Facilities; Probate Information Form (Leg-I)

Transmitted a new procedure for handling Personal Needs funds upon death of recipient in Long-Term Care Facilities.

MA Letter 71 - Recoveries From the Estate of Deceased MA Recipients
Who are Age 65 or Older; Probate Information Form (LEG-2)

Presented a uniform procedure for referral of cases to the Legal Division for recovery of Medical Assistance from the estate of deceased MA recipients, age 65 or older and not residing in long term care facilities.

MA Letter 72 - Application of Available Excess Net Income and Surplus Income

Gave procedural instructions to staff for dealing administratively with medical excess income and surplus income in MA on active cases, on new applications and on redeterminations. Defined surplus income and gave specific directions on the carrying out responsibilities of applicants, recipients, vendors and staff.

MA Letter 73 - Medical Care Plan - Pen and Ink Revisions

Transmitted Pen and Ink changes in Medical Care Plan Services.

MA Letter 74 - Medical Care Plan -- Section A - Administration; Section Q - Transportation

Carried revised pages on Administration and Transportation to obtain medical treatment. Policy was presented more explicitly and procedures were expanded in both areas.

Administrators Letters 184G - H - I - J - K - L - M - N - O - Fee
Schedule 5 - Nursing Home Rates

This series transmitted Fee Schedule 5 material for Chapter VII. Rates contained therein had been certified to the Department by the Rate Setting Commission in accordance with Chapter 7 of the General Laws.

Administrators Letter 186 - Payment of Vendor Bills

Outlined bill processing and payment procedures for vendor payments in all programs of assistance to cope with fiscal restraints of Chapters 514 and 647 of the Acts of 1972. Required monthly report of Vendor Claims Processed.

Administrators Letters 186A - Project GRABB (Gather, Report and Batch the Backlog)

Supplemented and expanded the procedures for Payment of Vendor Bills initiated by Administrators Letters 186. Introduced Project GRABB (Gather, Report and Batch the Backlog) which sought to improve flow of information to the Program Management Office on unpaid vendor invoices.

Set forth the threefold project objective as:

- a. determining exact status of unpaid backlog of vendor execution.
- b. instituting central controls on the unpayable backlog and
- c. expediting processing of vendor payments.

Transmitted report forms and procedures for project execution.

Administrators Letters 187 - Overtime Policy

Announced an Overtime Policy for the Department, effective August 1, 1972, designed to cope with the fiscal reality of a greatly diminished balance in the overtime account, with 11 months to go in the Fiscal Year ending June 30, 1973. Drew guidelines for austere use of the remaining overtime appropriation.

Administrators Letter 188 - Semi-Monthly Changes

Requested timely processing of Sem-Monthly Payroll Changes to forestall a last minute influx of completed SS9A forms, just before run off date for payrolls. Described a procedure that permits cancellation of checks for cases closed after the last pickup of SS9A's has been made. The aim was to reduce the probability of checks being sent to ineligible persons.

Administrators Letter 189 - Supervisory Approval of Assistance Grants and MA Authorizations

Re-instated the requirement of supervisory approval of assistance grants and MA authorizations in local case actions.

Administrators Letter 190 - Guidelines for State-Owned Automobiles

Established guidelines for use, repair and replacement of state-owned automobiles allocated to staff of the Department.

Administrators Letter 191 - Public Assistance Appeal Form SS-10

Transmitted a revised Public Assistance Appeal Form (SS-10).

Administrators Letter 192- Obsolescence of Certain Fiscal Forms

Obsoleted certain fiscal forms.

Administrators Letter 193 - Availability and Use of Non-English Notification Form Letters

Gave notice of present availability of Notification Form Letters in the Spanish language and the possibility of other non-English versions in the future, should circumstances justify the need.

Administrators Letter 154W - Changes in Medicare Coverage as a Result of Recent Social Security Amendments

Extension of eligibility for Medicare, effective 7/1/73, to certain disabled persons under 65 years of age. Procedures for implementing such recent Social Security amendments were transmitted to staff.

Research Letter 38 - New Statistical Staff Report RS-113, Parts A and B

Transmitted RS-113 (personnel turnover and characteristics), a new statistical staff report with detailed instructions for completion, marking a significant step toward better economy of means in reporting, by supplanting four (4) uncoordinated reports with one, to meet with Federal reporting requirements.

Research Letter 39 - Reporting on the Revised Form RS-1

Changed item reporting by RS-1 (Monthly Statistical Report on P.A. expenditures and caseload) on Intermediate Care Facilities (ICF's) payments, from an item under money payment categories to an item under medical vendor payments i.e. either MA only or GR as a medical payment, effective August 1972. Transmitted pen and ink changes to Inst. RS-1 (Instruction to WSO for RS-1 Report).

Research Letters 40 and 40A- New Reporting Procedures for the Work Incentive Program

Transmitted four new report forms and instructions for the Work Incentive Program to meet reporting requirements stemming from major changes in WIN as a result of 1971 amendments to the Social Security Act, Public Law 92-223.

Research Letter 41 - New Statistical Reporting System

A new statistical reporting system was introduced in this letter. Copies of all the forms, instructions and a calendar indicating the time covered by reports under the new system were transmitted by this letter to Department staff.

Un-numbered Letter dated 9/18/72 - Instructions for Grant Change System Turnaround Document

Gave procedural instructions to every WSO for filling out and forwarding of the Grant Change System Turnaround Document to the RDCU's, as part of the continuing effort toward state-wide computerization of recipient payrolls.

Un-numbered Letter dated 12/4/72 - MA Conversion

Required conversion of MA only cases to the Computer Master File by means of individual SS9A forms sent to RDCU's for each case, to implement an ID card system and to prepare for execution of the Vendor Payment System. Carried detailed procedural instructions for carrying out the conversion.

Un-numbered Letter dated 12/19/72 - Grant Change System; Completion and Follow-up

Carried instructions for completion and follow-up of the Grant Change System for recipient payrolls. Contained definitions of computer terms used in coding, processing, reporting and sharing information on the system.

Un-numbered Letter dated 4/9/73 - Housing Allowance Program

Announced a 24 month experimental Housing Allowance Program funded by HUD, administered by Massachusetts Department of Community Affairs and open to eligible persons in the experimental area (Springfield) on the basis of net-income-related-to-family-size. Urged social workers to inform their clients about the program and to assist them with their applications since participation is open to all recipients of public assistance.

PART II

Section A- An Overview:

MEDICAL ASSISTANCE

The Commonwealth of Massachusetts has one of the most comprehensive Medicaid programs in the country. Its commitment to provide a wide range of quality medical services to a broad population is recognized and respected nationally.

All persons who receive cash assistance from the Department, except those in the category of General Relief, are automatically eligible for Medicaid. In addition, the Commonwealth has a medically needy program which pays the medical bills for more than 60,000 persons whose incomes are not low enough to make them eligible for cash assistance, but whose medical bills exceed their ability to pay.

Medical services offered through the program include inpatient and outpatient hospital services, laboratory and x-ray services, physicians, dentists, and private duty nursing services. Drugs, dentures, and prosthetic devices as well as eyeglasses, physical therapy, and diagnostic screening and preventive services are also available to eligible persons.

The Department's Medicaid program is the largest single component of the Public Welfare budget. In Fiscal Year 1973, more than 400 million dollars was spent to provide medical services to hundreds of thousands of persons in the Commonwealth. It is important to note that approximately 50% of the \$400 million is reimbursed by the Federal Government.

For years the Massachusetts' Medicaid Program has been handicapped by severe staff shortages. This problem has been further aggravated by rapid program growth and by inflation. Despite these obstacles, the Department of Public Welfare has been able to take significant steps toward controlling costs and improving administrative efficiency in the Medicaid Program. The following sections in this part highlight some of the accomplishments achieved during Fiscal Year 1973.

Section B - The Pharmacy Unit:

The Pharmacy Unit has embarked on several new tasks this past fiscal year.

First, the State has signed a contract with Pilgrim Health Applications, Inc., to establish a fiscal intermediary to process Medicaid and the State's General Relief drug bills.

The purpose of the Contract with Pilgrim Health Applications, Inc., is to have a third party fiscal intermediary process approximately eight million Medicaid prescription invoices a year which are submitted by participating retail pharmacies across the Commonwealth for services rendered to about 600,000 welfare recipients. These invoices account for approximately 40% of the paperwork involved in administering Medicaid.

The system processes invoices rapidly and in an orderly manner, resulting in payments to pharmacies within 30 days of invoice submission.

The system also provides utilization review statistics and program reports indicating cost and service trends. The computer can identify vendors, recipients or physicians who might be over-utilizing or misutilizing the program.

The utilization review material will identify potential areas of abuses on three levels:

1. Physicians: where a physician might be prescribing a great deal of narcotics or dangerous drugs;
2. Pharmacists: where a pharmacist might be "splitting prescriptions," that is, reducing the quantity of medications ordered to provide more frequent refills, thus earning extra dispensing fees;
3. Recipients: where a recipient might be "shopping" or going to several physicians for prescriptions and going to as many pharmacies to get them dispensed.

There are also other existing abuses, such as duplicate billings, overcharges, non-covered items, etc., which the new system will identify.

The estimated cost to the State for the first year is approximately 2 million dollars for development, implementation, and operation of the drug program. The amount of estimated savings in program costs would considerably exceed the cost of the Fiscal intermediary.

In addition, the Pharmacy Unit, in anticipation of the 1973 flu epidemic, has developed plans for a new method of flu immunization of Nursing Home recipients. Both monovalent and bivalent vaccine will be purchased directly from the drug companies and then shipped to the Nursing Homes at the low State contract bid which eliminates high wholesale price plus mark ups of the pharmacist. Nursing staff are required to inoculate recipients as part of the per diem rate of the nursing home, eliminating physician fees or administration.

The Pharmacy Unit has also revised and mailed to all the pharmacies in the State an updated computerized drug list with the latest prices. Oxygen policy and fee schedules are being developed for the first time and will be implemented sometime in the next fiscal year. Medicaid oxygen forms will parallel Medicare oxygen forms whenever possible to eliminate any unnecessary paperwork.

A Durable Goods and Medical Supply List is also being developed by the Pharmacy Unit. This list will parallel the Drug List with code numbers for covered items, description, and maximum allowable price.

Section C - Inpatient Hospital Services

In May, the Department of Public Welfare, along with the Executive Office of Human Services, negotiated a contract with the Commonwealth Institute of Medicine to establish a program to review inpatient hospital services to Medicaid patients. This program is to be known as the Commonwealth Hospital Admissions Monitoring Program (CHAMP).

CHAMP will provide screening of admissions for medical necessity. This will be done by concurrent review (i.e., while the patient is in the hospital) to insure that Medicaid patients are not hospitalized longer than is necessary and to insure adequate treatment.

In hospitals, the basic operations of CHAMP will be carried out by personnel designated as CHAMP coordinators. Whenever a patient is admitted, the coordinator will set a length of stay depending on the particular diagnosis, and determined by the 50th percentile, age adjusted, for the Northeast region for that diagnosis as reported by the Commission on Professional and Hospital Activities in their publication "Length of Stay in PAS Hospitals." The coordinator will check on the patient during the first day of admission to see whether the diagnosis has changed.

Two days prior to the initially determined date of discharge, the coordinator will again check on the patient's status. If from obvious medical conditions such as fever, infection and persistence of symptoms shown on the chart, it appears that the patient will not be discharged within two days, the coordinator may extend the length-of-stay check-point to the 75th percentile. Any stay beyond the 75th percentile requires approval of the physician advisor. Decisions of the physician advisor may be appealed to the Regional Committee by the attending physician or the hospital.

If a physician keeps a patient in the hospital for a longer period than is approved by the physician advisor, the State will withhold Medicaid reimbursement to both the hospital and the physician.

The Champ program was deliberately designed in anticipation of the Professional Standards Review Law. Under this statute, independent physician organizations oversee utilization review of institutional Medicare and Medicaid services. Data for these reviews will be provided by CHAMP, enabling the Department of Public Welfare to have an influence on the development of PSRO's which was not provided for in the Federal statute.

The CHAMP program will cost \$1.5 million per year to operate. Savings are estimated at two to four times this amount.

The program will become operational in the first four Boston hospitals on October 15, 1973 and will cover all welfare patients in the State by the Spring of 1974.

Section D - Medicare/Medicaid Payment Contract:

In June 1973, the Department signed an agreement under which Blue Cross and Blue Shield of Massachusetts would process the approximately 700,000 joint Medicare and Medicaid claims filed each year. Under the old system, joint claims were separately processed with little coordination.

The purpose of the new system is to tighten controls over certain Medicaid payments, and to facilitate rapid payment of claims which were previously delayed by the two-stage process. The new system will process those claims for which Medicare is the primary payer, and for which Medicaid pays the remainder. It is anticipated that the new system will enable these Medicaid claims to be processed within thirty days of the Medicare payment. Approximately 8-10 million dollars of the present yearly Medicaid bills will be handled.

Tighter controls will result from several factors:

- . an end to double billing of Medicare and Medicaid claims
- . a mechanism for systematic review which would entail utilization control, evaluations, and thorough documentation
- . a method under which Medicare would first pay its maximum liabilities before any State dollars are expended through Medicaid

The Federal Medicare program pays for certain services - mainly hospital and physician services - for most Old Age Assistance cases handled by the Department. As of July 1, 1973, many Disability Assistance cases are also being covered by Medicare.

Based on the anticipated volume, the Commonwealth will pay 87 cents for each claim processed. Current charges to the Federal Government for processing Medicare claims are \$5.41 per hospital claim and \$2.96 per claim for other providers.

Section E - Prepaid Health Plans:

The Department currently has one contract with a prepaid group plan, the Harvard Community Health Plan.

During the past fiscal year the Department was involved in the following activities relative to the Harvard Health Plan and to prepaid plans in general:

- a) Use of the new Medicaid eligibility cards to carry a restrictive phrase on the face. This has involved attaching Social Security numbers to plan members and getting the computer to print the new language on the card. The major purpose of this is to get at the problem of outside utilization on the part of our recipient plan members.
- b) Working with the Harvard Plan to develop a "training package" for our social workers. The purpose of this is to assure that our workers realize who should or should not be referred to the Plan for membership.
- c) Working with Public Health and Human Services in developing useful reporting requirements and program requirements for H.M.O.'s.
- d) Getting a commitment from the Harvard Health Plan's M.D.'s to sit down with our medical professionals to agree upon a valid evaluation of the medical components of the service being delivered.
- e) Developing a questionnaire to be used in trying to assess why recipients left the Harvard Plan and what their dissatisfactions were.
- f) Analyzing H.M.O. legislation.

In the future, the Department plans the following:

- a) to increase and improve our monitoring and evaluation of the Harvard Plan.

- b) to negotiate a new contract with the Harvard Plan.
- c) to develop prepaid contracts on a limited basis with other facilities that can meet our H.M.O.'s requirements.

Section F - The Nursing Home Program:

1. PROVIDER AGREEMENTS

During FY'73, the Department for the first time entered into time-limited provider agreements with all 238 skilled nursing facilities that participate in the Medicaid Program. Each agreement stipulates those factors concerning services, records, etc. which the facility must provide to the Department. It also calls for frequent inspection (at least annually) by the Department of Public Health to ensure compliance with nursing home dietary, sanitary, and environmental standards, as set forth by the Department of Public Welfare. This agreement also calls for the Department of Public Welfare to make payments at the appropriate rate as soon as possible and to provide certain other consultive services to nursing homes.

To facilitate the provider agreements, an inter-departmental agreement was signed between the Department of Public Welfare and the Department of Public Health. Under this agreement, Public Health nurse-surveyors inspect homes participating in the skilled nursing home program to assure that the Rules and Regulations for Long-Term Care Facilities, Level II are, as required by the Department of Public Welfare and H.E.W., abided by.

Upon completion of the inspection, the Department of Health on the basis of collected data either recommended that the nursing home be certified or decertified. Only in one instance was it necessary to drop a facility from the program.

The provider agreement procedure now in effect for skilled facilities will be extended to intermediate care facilities during FY'74. It is certain that this mechanism will be a valuable tool in assuring quality care for our clients in institutional settings.

2. PERIODIC MEDICAL REVIEW

Periodic medical review calls for an evaluation of actual patient care in skilled nursing homes. Teams, consisting of at least a physician, nurse, and social worker, visit nursing homes and, on the basis of personal contact with each publicly-aided patient, determine how well the facility has cared for the patient. The team also is required to determine the appropriateness of the placement for the individual patient and indicate to the Department of Public Welfare which patients they think should be placed at either a lower or higher level of care.

In FY'73, a Public Health Nurse Advisor was added to the Nursing Home Unit's staff. One of her functions is to offer constructive suggestions and assistance to those facilities which the Periodic Medical Review Team reports as needing up-grading in certain areas, especially in the area of staff in-service training.

Reports from the Periodic Medical Review Team when combined with certification reports provide the Department of Public Welfare with documentation and the quality of care provided in each skilled nursing facility. Those facilities which, after being advised of needed corrections, have not demonstrated within a certain period of time an effort to come into compliance, will be terminated from participation in the Medical Assistance Program and all publicly aided patients removed from the facility.

3. AUTOMATED PAYMENT SYSTEM

The first medical vendors to be paid by the state-wide automated vendor payment system were the providers of nursing home care. For the first time in the Department's history, there is a single place to bill for every nursing home patient on public assistance. There is one set of procedures to be followed rather than the myriad ways which existed when each local W.S.O. was billed by the facility. While there have been some conversion problems, the automated system already offers a much improved method not only for paying bills but also for assisting in the monitoring of the most expensive portion of the Medicaid Program. As additional vendor factors are included in the automated system, the capability of the Department to analyze medical costs by recipient, by type of service, by vendor, etc. will be increasing facilitating decision and policy making as well as improving services and reducing abuse.

4. LONG-TERM CARE INFORMATION SYSTEM

While the Long-Term Care Information System is not yet operational, the planning began in FY'73. The system, to be operated jointly by the Department of Public Health and Public Welfare, will provide data on individual patients, individual facilities and when tied in to the automated vendor payment system, it will be able to locate available beds by level of care and patient utilization of various services, resulting in appropriate patient placement. It is also anticipated that constant monitoring will produce considerable improvement in patient care given to publicly-aided persons.

Section G - The Dental Program:

Early in Fiscal Year 1973 the Department of Public Welfare issued revised "Conditions of Participation - Guidelines for Dental Program" and a new Dental Fee Schedule. The guidelines were updated to clarify the scope of payable dental services. Additional restorative services were added to the program to encompass modernized dental techniques.

In addition, the Department's Dental Advisors developed an effective method to monitor dental services by selected open mouth reviews.

Also, overutilization of certain services provided by the dental program were restricted from further abuse by requiring review by the Department's dental advisors. Endodontics is an example.

Section H - Early and Periodic Screening Diagnosis and Treatment (EPSDT)

The 1967 Amendments to the Social Security Act mandated that screening, diagnosis, and treatment of children be added to the list of services that states must provide to Medicaid recipients. The intent of that addition was to insure that adequate health care be available to children on public assistance before health problems became chronic and irreversible damage occurred.

The Commonwealth of Massachusetts has long felt that such early intervention is an essential factor in securing the health and well-being of its citizens. Even prior to the passage of the Social Security Amendments, all children born in hospitals in the Commonwealth are required by law to have a health evaluation by a physician. As the Neighborhood Health Centers developed throughout the Commonwealth, primary pediatric care became available to residents of inner city areas, housing projects, and other areas where solo practitioners were unavailable. The private pediatricians in the Commonwealth have been, by and large, aware of the necessity to provide early intervention services to children. Yet, despite this good start on EPSDT, there are still areas of the Commonwealth that lack the medical resources necessary for primary pediatric care.

The Department of Public Welfare is currently administering a two pronged approach toward implementation of the EPSDT program:

1. Obtaining information on delivery of EPSDT from Neighborhood Health Centers. This consists of signing contracts with the health centers to push their primary pediatric programs and report to the Department their progress in implementing the EPSDT program in their neighborhoods.
2. Encouraging private pediatricians to deliver EPSDT in the scope of their usual pediatric care. Here again, the Department is contacting individual practitioners and group practice associates to sign contracts to provide EPSDT services to their Medicaid patients.

These two approaches are straight forward and well within the usual and customary procedures of the Department. However, these two approaches do not get at the problem of providing EPSDT services in areas where medical resources are either not available or accessible to Medicaid recipients.

Therefore, the Department of Public Welfare proposes a third approach to EPSDT:

3. The establishment of innovative program to deliver EPSDT. The HEW regulations detailing the implementation of EPSDT are significant for the inclusion of the following sentence: "When screening and diagnostic services throughout the State are insufficient to meet the needs of the Medicaid program, the development of additional centers should be encouraged." This statement signals a change in role for active participation in program development.

The HEW regulations clearly mandate diagnosis and treatment as well as screening. However, where physician manpower is in short supply, there is bound to develop an emphasis on mass screening by non-physician personnel. The Executive Board of the American Academy of Pediatrics has stated, with regard to EPSDT, their concern with health screening programs which are not necessarily a part of a medical care program: "The effect of identifying health problems that, for a variety of reasons, cannot be treated is a waste of valuable resources and can be most unfortunate."

Screening cannot be viewed as an end in itself; rather it should be viewed as the front end of a system of good primary medical care. This means that referral patterns for children with illness detected during screening should be formalized, and not left to chance.

It is for this reason that the Department of Public Welfare, in conjunction with the Massachusetts Chapter of the Academy of Pediatrics, is using EPSDT as a minimum standard for primary pediatric care. It is the intention of both the Department and the pediatricians to move toward a system of care where each child has access to a physician who will take responsibility for health care of that child.

PART III

SOCIAL SERVICES

Section A - Social Services Administrative Unit (SSAU)

General Information

The Social Security Act under Titles I, IV-A, XIV and XVI makes Federal reimbursement from the Department of Health, Education and Welfare available for the costs of providing social services to welfare-related clients. The 1967 Amendments to the Act greatly liberalized the definition of social services, expanded the eligible population, and provided for the purchase of services from public and private agencies. These provisions increased the State's ability to claim Federal reimbursement under these Titles.

In order to receive Federal reimbursement, a state must have an approved State plan which describes the social services it will deliver to eligible clients. The State plan, the reimbursement procedures and the contracting with other agencies for social services must be administered by a single State agency, which retains continuing responsibility for all of the activities. In Massachusetts, the social services program under Titles I, IV-A, X, XIV is administered by the Department of Public Welfare. Within the Department, the Social Services Administrative Unit (SSAU) has the responsibility for all aspects related to the Department's function as a single State agency.

Responsibilities of the Social Services Administrative Unit (SSAU)

SSAU is concerned with the identification and monitoring of all State agency programs which provide social services eligible for Federal reimbursement, for designing and implementing eligible procedures through which the participating agencies can substantiate their respective reimbursement claims and for developing contracts between the Department of Public Welfare and other State agencies.

The program functions of the staff involve planning and contracting for eligible social services to eligible clients under the Federal regulations. Once contracts are negotiated, SSAU staff offer technical assistance to assure continued compliance with any new Federal legislation. Program monitoring, including on-site visits, is done to assure contract compliance and quality services.

The Documentation staff provides technical assistance to agencies with purchase of service agreements with the Department to maintain back-up documentation for the reimbursement claims which must be submitted to HEW in order to receive Federal reimbursement for the cost of social services. With each claim that is filed, there must be substantial back-up documentation to prove that the expenditures being claimed are for approved social services to eligible clients and that ineligible expenditures are not included in the reimbursement claim.

Social Services Expansion

Federal regulations require that a portion of Federal reimbursement be utilized to expand the network of social service delivery in the State.

In order to comply with this requirement and to indicate to State agencies that the State is committed to providing monies for social services in the Commonwealth, the Department of Public Welfare, Executive Office of Human Services and Administration and Finance worked together to request a supplementary budget for FY'73 of \$7 1/2 million to be spent on reimbursable social services delivered to welfare-related persons. This request was approved by the Legislature and allocated to the Administration and Finance account to provide the greatest degree of flexibility in spending.

A Steering Committee comprised of representatives from several Secretaries made decisions on programs appropriate for expansion pool funding. SSAU was assigned responsibility for reviewing all proposals for reimbursement-eligibility. In addition, SSAU worked with those programs which were funded to expedite release of money and assure continued program compliance with Federal regulations.

Because of the necessary start-up time, many programs served clients only towards the end of FY'73. In FY'74, many programs will be continued through the expansion fund or as a line item cost under the appropriate agency.

Programs funded out of the expansion account in FY'73 include:

Office for Children (OFC)

OFC provides program planning, development, and coordination of social service programs to meet the special needs of children. Expansion money was used to increase community planning capabilities, coordinate planning for day care services and expand interagency coordination of service delivery. In addition, the Project for Children received funds to expand their interagency team approach in order to intervene in emergency situations and provide social services to enable children to remain in their home or community.

Office of the Commissioner for Veterans' Services (OCVS)

The OCVS program has provided a comprehensive information-referral and follow-up system for veterans and their dependents.

Executive Office of Elder Affairs (EOEA) Home Care

The EOEA has initiated a home care program for current OAA recipients and DA recipients over 60 to assure that they receive the social services essential to their maintenance outside of institutional settings. Home Care Corporations have been implemented in eight communities of the Commonwealth. In FY'73, services delivered have included homemaker, chore, transportation, information-referral, and outreach.

Department of Mental Health (DMH)

Several programs were funded in the Department of Mental Health:

1. A documentation system provided data necessary for DMH to provide client information for the reimbursement claim under Titles I, IV-A, and XIV.

2. The Mental Retardation Community Program Project (MRCPP) planned for and developed community-based care facilities for 250 individuals released from five state schools. Comprehensive social services oriented towards increasing self-sufficiency were offered in all community-based care facilities.
3. The DMH Primary Prevention Program was aimed at providing social services in a community-based setting for persons in a high risk of developing psychiatric disorders so as to prevent the need for institutionalization.

Department of Public Health

Regional services proposal gave funds to each of the seven DMH regions in Massachusetts for the purpose of expanding service delivery to eligible welfare-related clients.

Department of Public Welfare

1. Seven family planning proposals were funded. Six were for the provision of direct family planning services including outreach, counseling, medical care and follow-up. The seventh program was to conduct training sessions in family planning counseling for approximately 100 DMH staff working at State institutions and community residents.
2. The quality and scope of the Protective Services Program has been expanded by the establishment of protective service review units in each regional office. These units advocate for children or youths who are, or are in danger of being, neglected, abused or exploited.

Department of Community Affairs

DCA provided both family planning and child care services to residents of Public Housing through contracts with private agencies. They developed twelve child care contracts and four family planning contracts, all to serve eligible clients.

Executive Office of Educational Affairs

EOEA provided increased supportive social services (counseling, crisis intervention, information-referral, or day care) to eligible students attending college in the Massachusetts State College system under the Disadvantaged Students' Career Program.

FEDERAL REIMBURSEMENT CLAIM - FY'73

In order to receive Federal reimbursement for the cost of social service expenditures related to Titles I, IV-A, X, XIV, XVI, SSAU submitted claims in FY'73. Federal auditors met with SSAU and examined the audit trail to establish the process by which parts of the claim determined. The total claim for FY'73 including backmatch for FY'71 and FY'72 totaled \$69,498,480.

Recent Legislation and New Regulations

In the past, the Federal reimbursement available to the states under the Social Services Regulations had been unrestricted. Due to the rising cost of social services and the State's increased participation in the program, Congress placed a \$2.5 billion ceiling on reimbursement claims in the 1972 Revenue Sharing Amendments to the Social Security Act. Based on population, the Massachusetts state allotment under this ceiling is \$65 million. In addition, the Revenue Sharing Bill stipulated not more than 10% of the Federal funds paid to a state could be for services to individuals who were not current welfare recipients, except for services to the mentally retarded, alcoholic and drug addict, or foster care, family planning, and child care. The impact of this amendment was to narrow the focus of social services so that current welfare recipients would be moved towards self-support.

Many of the State's programs which were of a preventive nature were no longer eligible for Federal reimbursement.

In February, 1973, new social service regulations were proposed and published. The proposed regulations reflected Federal concern with rising costs of social service programs and were an effort to provide a greater degree of administrative accountability by the states. At the same time, the regulations drastically reduced the State's ability to provide comprehensive social services to needy clients by severely limiting the allowable services and client groups. In response to overwhelming State opposition, the regulations were revised and re-issued by HEW on May 1, 1973 with an effective date of July 1, 1973. These proposed regulations continued to limit the scope of social service programs and required detailed administrative procedures on the part of the single State agency. Public Law 93-66 which was signed by President Nixon at the end of the fiscal year postponed the effective date of Federal regulations until November 1, 1973. This four month delay is intended to give Congress time to deal with the substantial issues associated with the new regulations and to approve legislation as appropriate.

Reorganization of Purchase of Services

With the expansion of social services throughout FY'72, the Department has made plans to reorganize the purchase of service system into a more unified and planned component of the overall service program within the Department.

The proposed design concept for purchase includes a recommended organization structure, specific function responsibilities within that structure and procedures for the effective ongoing operation of the system. Reorganization will eliminate duplication of functions and a lack of standardized procedures. Under the new concept, the Day Care Unit, Donated Funds and Social Services Administrative Unit will gradually come together into one purchase of service unit.

This reorganization is an effort to establish a comprehensive social service plan which gives the Department a more accountable system for control of purchase of services activities. It is expected that the plan for the Purchase of Service Unit will be implemented during FY'74.

Section B - Donated Funds Program

A supplemental appropriation act was passed by the Massachusetts Legislature in November, 1971 which authorized the Department to accept and spend donated funds (25% private donation matched by 75% Federal funds). This program has now completed a full year's operation.

Thirty-two (32) donor agencies have donated some \$1,150,000.00 to support the expansion of needed social services. By September 15, 1973 some sixty-seven (67) purchase of service contracts have been negotiated and are operational. The following list indicates the contracted social service, the total number and amount of the contracts, and the number of children or cases which have received service as of September 15, 1973.

	<u>No. of Contracts</u>	<u>Total Amount</u>	<u>Serviced</u>
Protective Services	17	614,707	874 cases
Emergency Care	4	225,200	119 cases
Day Care	18	1,384,773	720 children
Homemaker	8	227,700	161 cases
Unmarried	7	158,162	101 cases
Campership*	12	553,400	4,500 children
Family Life Education & Counseling - a new contract	<u>1</u> 67	<u>38,549</u> 3,202,491	

The Donated Funds program is continuing to work closely with private social welfare funding and provider agencies. It is the Department's expectation that this program will continue to grow and provide additional resources for our staff and clients.

Although this program ran for the summer of 1972, changing Federal legislation precluded the possibility of having a campership program in the summer of 1973.

Section C - Adult Services:

During FY'73, Adult Services developed new concepts for meeting the needs of the elderly and disabled client. With new Federal regulations expected November 1, 1973, mandated services to the elderly and disabled will probably be more limited than previously legislated. As of January 1, 1974, Public Welfare will no longer issue checks to OAA and DA clients; it will be the responsibility of the Social Security Administration to handle fiscal payments for these adult categories. The Executive Office of Elderly Affairs, established by the Governor, is in the process of planning seven non-profit Home Care Corps to deliver mandated services in various parts of the State; of these, four are now in operation. The purchase of various essential services from these Corps to maintain clients in their own homes is made possible by payments from the Department of Public Welfare. These services include transportation, homemaker, health related and chore services for current OA and DA recipients.

Section D - Unmarried Mothers:

Department Services to Unmarried Mothers include: purchase-of-service contracts with twelve private agencies; and (2) services provided directly to Unmarried Mothers by the Department's Regional Office caseworkers.

1. Purchase-of-service contracts have been awarded to private agencies to provide casework counseling to Unmarried Mothers who have never before sought the services of a casework agency. Their clients are primarily young women who come from low-income families. The agencies have seen a change in attitude in single mothers, from placing their children for adoption to keeping their children with them. Eighty-five percent (85%) of the mothers involved in this program chose to keep their children. Thus, agencies employed most of their counseling services with mothers after the birth of the child. They have found that these mothers are isolated, and need support and guidance in child development as well as with housing and management of finances.

During the year, three purchase-of-service contracts were added to the nine that existed since 1968. These were in the New Bedford, North Shore and Greater Boston communities, where services to unmarried mothers were badly needed. Although the projects were increased, the total number of mothers served decreased because of pregnancy counseling and abortion resources.

2. The Regional Offices serviced 300 unwed mothers during the past year. As with the private agencies, our Regional Offices have mothers seeking assistance who wish to keep their baby and need help with their medical costs. Most of them need counselling both before and after the baby is delivered. Only one-quarter of these mothers released babies to the Department for adoption. This has correspondingly affected the Department's adoption program.

A study was done by the Boston College School of Social Work on the mothers serviced under purchase-of-service contracts. These were mothers who had already been discharged by the private agencies. They found that the mothers felt that the counseling by the

agencies helped them in making the right decision about their child and adjusting to the community as a single parent. However, they found that these mothers were still very isolated and could use help in meeting the needs of their children. Most of these mothers are receiving Public Assistance.

Section E - Family Planning:

The Department of Public Welfare has continued to make progress in the development of Family Planning Services to AFDC clients. The past year saw \$173,000 utilized to expand direct services to clients; roughly \$29,000 of this was used for staff training.

The objectives for Family Planning programs were outreach, counseling and supportive services for any eligible client who wished service and who is covered either by Medical Assistance or AFDC. Along with direct service to clients, a brochure is being developed, a Family Planning resource list is now available, training of staff is being augmented as well as new training materials being critiqued.

Public Welfare has also been a vital force in assuming a more positive leadership role in the consortium on Family Planning, in developing a state plan for delivery of Family Planning services, working towards a standard for training and delivering of services, and in further developing good community education plans.

Section F - Group Services:

This Unit has continued the program it instituted last year to involve both staff and clients in the group work process. Although there was attrition in the numbers of functioning groups, those that have continued have witnessed tangible results.

Ongoing consultation was given to staff, and groups are continuing to work with AFDC mothers, teaching English to Spanish speaking recipients, family planning and housing. A few groups have fostered self-help as well as working towards relieving isolation and friendlessness. Many staff members have perceived the group meeting as a positive learning experience for them as well as a method of enhancing a good client-social worker relationship.

Section G - Day Care:

The expenditure for contracted day care services for Fiscal Year 1973 was 6.4 million dollars. This program is reimbursed under Title IV-A for 75% of the costs of service to all eligible families with the exception of WIN which is reimbursed at 90%.

Approximately 4,500 children were provided services in 85 contracted agencies state wide. Included in these contracts are 9 family day care systems and 3 after school programs. Several facilities have provisions for group infant care and several have mixed systems which combine family, group and after school care. Additionally, 2,000 plus children were provided day care services in non-contracted arrangements (private homes, babysitting and day care centers).

Contractual expansion was minimal during Fiscal Year 1973 because of fund limitations. However, Fiscal Year 1974 funding will allow some increase qualitatively and quantitatively. In addition, contracts for day care written by the Office for Children will be turned over to the Department for supervision, monitoring, and evaluating. The total number of children serviced in contracted day care should increase to 6,000 during this year.

The Day Care Program will work closely with local councils of the Office for Children to improve quality and to develop greater and more innovative resources for children. They will also work closely with other state agencies purchasing day care services.

The Day Care Unit had the responsibility for licensing family day care homes, a function now assumed by the Office for Children.

The Department provides day care services for children of AFDC families and former or potential recipients of welfare where the principal caretaker is working or in work related activities, or where the principal caretaker is absent from the home or incapacitated and care at home is not available. Care may be provided to children of current AFDC recipients for development reasons.

Plans are now being implemented to merge all units purchasing services into one Purchase of Service Unit.

Section H - Protective Services:

Protective Services are provided to all families throughout the State whose children suffer from inflicted injury, abuse or neglect. Since the majority of the children are received under neglect petitions, the Department has realized the importance of Protective Service staff and has added extra positions in this area. Currently, we have 80 staff people in the Regions involved in Protective Services and 23 in the Centralized Inflicted Injury Unit in Boston.

The Regional Offices, in their use of Protective staff, are doing much to prevent children from being battered and are helping families to be rehabilitated at the first signs of neglect or abuse. The Department feels that this program will do much in the coming year to prevent many more serious cases of inflicted injury.

The Regional Offices have caseworkers assigned to handle inflicted injury in addition to the specialized unit in Greater Boston. This specialized unit receives all complaints of child abuse in the metropolitan Boston area. Physicians, social service workers, and school administrators must report cases of suspected abuse to the Welfare Department. Departmental staff must investigate the complaint and try to counsel the families. At times, it is necessary to remove the child from the home. However, in many cases, the emphasis is placed on keeping the child in his home and working closely with the family. This service requires skilled caseworkers, since the problems presented are complicated and difficult.

The Inflicted Injury Unit in Boston serviced 171 referrals during the past fiscal year. The previous year they serviced 156. The majority of children referred were under one year, although the children served

ranged in age up to 6 years. The family size ranged from one to thirteen children. This unit has been helped by having a Day Care Center that was started by the Junior League of Boston in 1972.

Children who come from families that need special counseling are placed in this Day Care Center. Also, a student unit from Boston College School of Social Work helps during nine months of the year. Another important resource is the Children's Advocates, an inter-agency disciplinary committee for the protection of children. In the coming year, the Department will establish a system for reporting to a centralized registry all children abused. A state law requiring more persons to report child abuse is presently pending.

Section I - Group Care Unit:

The Group Care Unit, a specialized unit within the Department's office of Social Services, was responsible for the placement of over 1800 children in over 100 approved residential settings in Fiscal 1973. These settings consist of residential treatment centers, boarding schools, small group homes, halfway houses and other specialized facilities. The Group Care Unit spent approximately twelve and a half million dollars during Fiscal 1973. Referrals to the Group Care Unit are received from the seven Regional Offices.

In an attempt to strengthen the lines of communication within the Department, liaison workers from the Group Care Unit were assigned to all Regional Offices and to many of the welfare service offices which have child welfare staff. These workers meet with their assigned offices on a monthly basis and are available to answer all general questions pertaining to the functions of the Group Care Unit. During Fiscal 1973 a monthly newsletter was initiated by the Group Care Unit and is sent to all supervisors in the Regional Offices. This newsletter describes the development within the Group Care Unit including new staff appointments, detailed descriptions of the various facilities already in use, new programs and a list of all vacancies in the residential settings. Presently, all children under the care of the Group Care Unit are covered as each facility is assigned to a social worker. A new policy was initiated in late Fiscal 1973 whereby each facility is required to hold two conferences per year on each child placed through the Group Care Unit, and to provide the Unit with two written evaluations per year, in duplicate, on each child. These reports will be shared with the Regional Office social workers immediately upon receipt.

Evaluation reports of all facilities used by the Group Care Unit were recently completed for Fiscal 1973. These evaluate how each program performs and meets the needs of those children placed through the Group Care Unit. Evaluations will be employed in the Unit's work with each facility, to help bring about any change which the Division feels is necessary to improve services to children.

A Committee has been established within the Group Care Unit to evaluate all new programs applying for placement of children. This Committee reviews the formal proposal submitted by each facility and then makes a visit to the facility to further review the programs and determine whether it would be appropriate for the needs of the children placed by

the Division. Following this review, if a program is approved by the Group Care Unit Committee, a request is sent to the liaison worker between the Department and the Rate Setting Commission for formal approval for use of the facility and for a rate to be set,

Section J - Foster Care:

When the fiscal year began, the child welfare program was responsible for servicing 11,150 children. Of this number, 5500 children are in 3700 foster homes and 2033 children are in their parents' or relatives' homes, and received casework services from the Department. During the year, the Department accepted 2,212 children into care and discharged 3,192 children to their families or on their own. The Department thus discharged about 1,000 more children than it received into care, bringing the total caseload to 10,280. The Department continued to see a decrease in the number of infants referred.

A majority of these children are between the ages of 5 and 13 years of age. Many have severe physical and emotional handicaps. The average child remains in foster care for three years. The greatest program challenge involves service to older children from 10 to 18 years of age.

Most of the children received during the year were committed by Courts. Since staff replacements could not be filled, Regional Offices had many uncovered cases and could only service serious cases. Little could be done to prevent family breakups and placement of children in foster care. Fortunately, at the beginning of Fiscal 1974 most vacancies will be filled and the Department anticipates a revitalization of service delivery in the Regions and early involvement in more cases before foster care becomes necessary.

Statistics reveal that the Department is the primary agency serving foster children in this State. Most staff time is spent studying applicants for foster care, evaluating the child's need for placement, visiting the child in foster care, working with foster parents, and working with parents toward the eventual return of the child.

When a child is returned to his parents, the caseworker works with both the child and the parents until the situation is secure. The Department effectively uses court action to terminate parental rights when the parents are unable to assume responsibility for these children or to maintain a home for them.

Because too many children grow up in foster care, the Department is making every attempt to involve parents earlier or take court action.

As described above, many children coming into placement have severe emotional and physical problems. A great deal of staff time is involved in finding homes for these children and in obtaining medical and psychiatric resources to provide the proper help for them. More than 100 children have been sent to specialized schools because they have severe learning disabilities. The Department still has many children with severe problems that fall within the Departments of Mental Health and Public Health where no adequate resources are available to them.

The Department has been active this past year in working with the schools for the retarded for placement of these children in the community.

For those children already in care, the Department has attempted to provide special education through attendance at technical schools and colleges. All children are encouraged to attend school after high school.

Section K - Recruitment of Foster Homes:

During the past fiscal year, three people were appointed to the Centralized Homefinding Unit. The objective of this Unit is to assist the Regional Offices to recruit, train and work with foster parents. Since the homefinding staff was appointed towards the end of the fiscal year, they have just begun to make progress in developing their program.

The homefinding staff conducts monthly meetings with representatives of each Regional Office homefinding unit to discuss their needs for foster parents and to exchange ideas in maintaining and reaching new foster parents. The unit works closely with the Massachusetts Foster Parents Association and has given them help in setting up their Third Annual Meeting. The recruitment program includes negotiating and appearing on television and radio talk shows; assisting the Foster Parents Association in publicizing their conference; arranging for newspaper articles with the help of homefinders and foster care workers; developing slides and brochures to be used by the Regional Office; preparing material for displays at conferences or in community areas; working with foster parents and community groups towards recruitment of foster parents; and assisting the Regional Offices in any way possible to inform the community of their needs.

The homefinding unit hopes to develop a workable program in the coming year for training all new foster parents. At the present time, two of the Regional Offices are conducting a series of group training programs for foster parents.

Section L - Interstate Compact:

The Department is a member of an Interstate Compact for the placement of children from other states.

The primary goal of the Compact is to maintain uniform procedures from one state to another. It also provides protection for children under Department care in that it is able to control the placement of children from one state to another. Eighteen states belong to this Compact, although the Department receives requests from every state in the country. These requests are usually for permission to place a child from one state to another, into foster care, adoption, or child care institutions.

The Department is often requested to make home studies for other agencies, and handled 115 such requests through the Compact this past year.

Section M - Project to Reform Foster Care and Adoption:

The Governor's Commission on Adoption and Foster Care was established in August, 1970. The Commission was directed to :

- 1) Identify important problems in Massachusetts relating to Adoption and Foster Care.
- 2) Evaluate existing procedures relating to Adoption and Foster Care.
- 3) Make specific recommendations to the Governor and the General Court for changes in the statutes or procedures relating to Adoption and Foster Care.

In March of 1973, the Commission completed its work and reported to the Governor. The Governor directed that steps be taken to serve those children identified as lacking adequate supervision and/or services, and to determine and implement policy changes that would improve the administration of the Division of Family and Children's Services.

The Department, along with the Office for Children, submitted an Action Plan for the implementation of long-term administrative recommendations made by the Commission. The salient features of the Action Plan are as follows,

The hiring of staff to review uncovered cases identified by the Commission. In March, 1973 there were 205 vacancies in DFCS, at present there are 40. Of the over 1600 uncovered cases identified by the Commission, 1300 have been reviewed, and the remainder are expected to be reviewed and reported on by the end of September, 1973.

The review of covered cases is expected to be completed and reported on by the end of October. In the future, it will be a semi-annual policy of the Department.

The Adoption Review Teams have been formed. They will meet in all seven Regions where they have been assigned.

A Docket Control has been established by the Legal Department. Additional clerical staff was obtained whereby 210 petitions involving 255 children will be before the Probate Courts of the Commonwealth in September.

In October, there will be a system established to expedite the finalization of adoption for over 800 children who are in adoption homes. A backlog created by the change in the adoption law (from one year to six months in an adoption home) and a clerical shortage.

In addition to the above, an Action Plan Steering Committee has been set up and operating. This Committee is made up of various individuals from public and private organizations. The Steering Committee has set up ten Task Forces to examine the major areas for change suggested by the Commission and recommend specific plans for action. The Task Forces are

made up of various individuals from public and private organizations. The Task Force areas are as follows:

1. Foster Care Coordination among Departments and Private Agencies
2. Development of Methods for Preventative Services to help Families Stay Together
3. Contracting with Private Agencies
4. Adoption
5. DPW Relationship with M.A.R.E
6. Evaluation and Treatment of Foster Children in Care
7. Relationship of Agency to Foster Parents
8. Training of DPW Staff
9. Group Care
10. Intake

Many of the Task Forces have submitted recommendations for administrative and legislative changes. They will continue to meet until their responsibilities are completed.

The Project Director for the Steering Committee is the Assistant Commissioner for Social Services from the Department, assisted by a Project Manager and an Assistant Project Manager. The Project Directors' office will be responsible for carrying out the direction of the Steering Committee for implementing administrative changes. The Project Director will be assisted by an Administrative Review Team, as yet to be formed, composed of an equal number of staff from the Department and the Office for Children.

Section N - Adoption Placement Unit:

Adoption trends continue to move away from the traditions of the past. Fewer children were referred last fiscal year and fewer children were placed for adoption. However, an exciting challenge has been met in the type of child currently in need of adoption planning. The child over 6 years old who exhibits serious emotional and/or intellectual problems is waiting for a home today.

The Department found permanent families for 233 of the 300 children referred. Only 82 of the children placed were under one year old in comparison to last fiscal year when 168 infants were placed for adoption. Sixty-seven children were over 5 years old and under 15 years old when

placed. Four sets of four siblings found home together this year, in comparison with one set of four the previous year. Of the 55 black and mixed-racial children who were referred, 36 were placed for adoption. The older black boy continues to be the most difficult child to locate black families for.

The Department continues to accept applications only for white children three years old and over. Black families are encouraged to apply for any age child

The Department's Adoption Subsidy Program continues; 75 requests have been approved.

The evening post-placement group supervision program was highly successful last year, and the goal is to continue that effort this year,

Because of the lack of homes for more difficult children, the Department organized a massive recruitment program in three areas of the State. This program was well received in the community, and a number of families were interested in the "Children Who Wait." This program will be expanded into additional areas of Massachusetts in the coming months.

A third film on the "Children Who Wait" was completed, and a slide library is being developed of individual children to show at our group home study meetings.

A very exciting film entitled "The Making of a Family" is almost completed. This portrays the story of an actual family who adopted two older children. This will be used for parent groups and for staff training and development.

WNAC-TV, Channel 7 began a special effort to educate the community to the needs of the children in Massachusetts. "Operation Adoption" was initiated in the Fall and continues every Wednesday as part of the Paul Benzaquin Show. Film clips of children needing homes are shown with the intention of creating adoption interest in the television-viewing public.

Section O - Volunteer Services:

The Volunteer Services Program has as its objective the employment of voluntary services on a broad and effective basis. It has been striving towards this goal by working with a wide variety of individuals, resources and agencies. Implementation of the Harris Amendments, which gave out-of-pocket reimbursement to Volunteers, facilitated these goals.

As a result, the Department has been able to continue and extend some volunteer programs as well as to implement new ones. The Department has joined in specific projects with the Department of Mental Health, the Department of Public Health, various hospitals, Mental Health centers, Day Care centers, specific voluntary agencies and the County Extension Service.

Mrs. James DeGiacomo, a Volunteer Coordinator, received a citation from Mrs. Frank Sargent on behalf of the National Voluntary Action Center for her outstanding work in the area of the lead paint prevention program.

Plans are now in process to present official commendation to two Volunteers from the Cape who have spent hundreds of hours seeking housing for clients to avoid the undesirable alternative of placing them in motels.

Section P - Manpower Services Unit:

During Fiscal 1973, manpower services have continued to be provided, primarily through the Work Incentive Program (WIN) and the joint Massachusetts Rehabilitation Commission-Welfare Department expansion project efforts.

1. Work Incentive Program

This fiscal year the Department, though greatly understaffed, registered approximately 31,000 recipients in compliance with 1971 Amendments (Talmadge) to the Social Security Act. Well over 50% of this group were registered as a condition of AFDC eligibility.

The Talmadge Amendment also required that 33 1/3% of the Department of Labor program funds be expended on Public Service Employment (PSE) and On-the-Job Training (OJT) to WIN participants. This part of the legislation limited the funds the program could use for other kinds of training and, as a result, the WIN program has had to limit institutional training to an average length of six months to one year.

Despite constraints such as the shortage of staff in the Department and restrictions on how funds are to be expended, the two agencies have collaborated at all levels in an effort to make maximum use of the services that are available. DES/WIN Teams are now located in the Roxbury Crossing and Springfield Welfare Offices. Other offices are also exploring co-location. Where co-location has not been possible, great strides have been made in the area of communication and planning between welfare department staff and their DES/Win counterparts, the goal of which has been to facilitate the delivery of supportive and manpower services to AFDC recipients. Nevertheless, more needs to be done in these areas and in the refinement of procedures necessary to smoothly implement the program.

FY 1973 also saw a reorganization of the Division of Employment Security/WIN administrative staff which has substantially increased and improved the delivery of manpower services, specifically with relation to placement of recipients in non-subsidized full time employment. A total of 3,274 recipients were placed in full time employment, with a total savings of approximately \$5,322,000 during the fiscal year.

2. MRC/Welfare Project

Fiscal Year 1973 witnessed a fruitful year for rehabilitation services to disabled welfare recipients. The nucleus of this success was the MRC/Welfare Expansion Project which was approved and funded by the Department of Health, Education and Welfare in FY 1972. To date, the Expansion Project has served over 850 welfare clients. As of June 30, 1973, approximately one hundred clients returned to gainful employment; with a savings of approximately \$135,000 in public

assistance payments. The Project staff are using several joint interagency procedures, such as joint interviewing, a common general medical form and cooperative referral, screening and planning procedures. These shared case service functions are test models of future interagency activity. In addition to the Expansion Project, which has been a catalyst for change, an Integrated Action Program on a statewide basis has been implemented in order to comply with federal mandate to serve AFDC recipients exempt from WIN participation by reason of a disabling condition. Referral procedures have been instituted statewide. These procedures include a general referral and reporting form which incorporates most of the elements used in the project referral form. The Expansion Project and the Integrated Action Program has greatly improved the relationship with the Massachusetts Rehabilitation Commission through new understanding within each agency of the services, procedures and philosophy of the other agency.

The Interagency Liaison Committee met regularly during FY'73 and, as a result, joint statewide policies and procedures as well as a common medical form are closer to implementation. This will greatly enhance the joint efforts of both agencies.

MRC statistics reflect a growing cooperative effort between the two agencies during the past year. More disabled welfare recipients are being served by MRC than ever before.

Program activity data, FY 1973

- | | | |
|---|------|--|
| 1. Total referrals to MRC..... | 1458 | |
| 2. Total Rehabilitated and/or employed... | 925 | |
| 3. Total served by MRC..... | 4008 | (Includes carry-over of currently active cases from FY 1972) |

Section Q - Housing Program:

The goal of the Housing Unit continues to be to increase housing resources and the supply of standard housing available to recipients of Public Assistance in Massachusetts. At the present time, staff includes Housing Specialists in the Boston, Greater Boston, New Bedford and Springfield regions. The Department intends to increase the staff to include the remaining three regions in order to better service recipients in the area of housing.

The Housing Unit, working with the Massachusetts Housing Finance Agency, has been able to insure that recipients are accepted into low income units in each development. The process has involved educating local welfare office staff in the tenant selection process. Since 1971, more than 1,000 recipients have been housed in approximately 75 MHFA developments. The MHFA has been a very positive resource for housing of families on public assistance.

To assist the Social Services staff in providing housing services to recipients, the Housing Unit prepared a Low Income Housing Handbook for distribution to local welfare office staff. The Handbook describes Federal and State Programs for low income housing, Welfare Department policy in relation to housing and information about dealing with the

problems of substandard housing. This resource has been available to social workers in providing housing services to recipients. The handbook is also being used by the Department's Training Unit.

In 1973, the Cape Cod Housing situation continued to be critical. However, in cooperation with the Cape Cod Housing Assistance Office staffed by the Department of Community Affairs, the Welfare Department was able to secure year-round housing for families on public assistance. In this past fiscal year, more than 80 families signed year-round leases.

Involvement with home ownership has been limited by the National Administration Moratorium on housing programs which assist low income families with mortgages. However, the Department has provided assistance to a number of families with positive results. It is evident that additional financing vehicles will not be forthcoming this year; in fact, present programs could be eliminated.

There has been great concern about the issue of social services for tenants, particularly in publicly assisted housing. Under an agreement signed jointly by the Secretaries of the Department of Housing and Urban Development and the Department of Health, Education and Welfare, provisions were made for 75% reimbursement by the Federal Government for Social Services provided to tenants in public housing. This can be made available through the Donated Funds Program. In Fiscal '74, an item was placed in the budget for this purpose, but was not included by the General Court. This item will be resubmitted for next year.

The Housing Unit has been involved in eliminating barriers of discrimination against recipients by assisting individual recipients in the Massachusetts Commission Against Discrimination (MCAD) process. It is clear that welfare discrimination exists, and frequently prevents recipients from obtaining decent housing.

The recent addition of a Springfield Housing Specialist to the unit has enabled the Department to more effectively deal with housing services in the Springfield region. The Springfield Housing Allowance Program is an experimental program which provides direct money subsidies to families to give them better access to standard housing. The Springfield Housing Specialist is working in cooperation with the Housing Allowance Program, and acts as a coordinator between the Program and the Department. There is a possibility that as many as 300 families who receive public assistance may be chosen to participate in the Housing Allowance Program.

PART IV
FOOD PROGRAMS

Section A - The Commodity Distribution Program:

The Commodity Distribution Program involves the provision of surplus foods donated by the U.S. Department of Agriculture to needy families that qualify. The State Department of Education is the primary distributing agency for surplus foods in the Commonwealth, and the Department of Public Welfare acts as a sub-distributing agency.

During Fiscal Year 1973, the Department distributed a total of 64,072,175 pounds of Commodity Foods valued at \$22,115,821.00 at a cost of \$2.8 million in Federal and State funds. With the exception of limited Federal funding, all intra-state costs of the program, such as warehousing, handling and delivery, are paid by the State.

From 15 to 21 different types of food are distributed under the program:

Canned Boned turkey, chicken, pork	Pea beans
Canned Chopped meat	Split peas
Canned Orange juice, apricot, tomato	Instant potatoes
Peanut Butter	Dried prunes
Canned Evaporated milk	Rice
Canned Green beans, corn, sweet- potatoes	Corn syrup blend
Rolled oats/wheat	Fresh Processed cheese
A.P. Flour	Fresh butter
Instant dry milk	Shortening
Corn meal	Macaroni (Elbows)
	Egg mix

The commodities are distributed through 36 warehouses located throughout the Commonwealth, rented by the Department and open five days a week. In addition, there are 111 satellite distribution centers which are used from one to three days each month and are provided free of charge to the Department.

The Department is now making commodities available to 290,000 persons per month in 324 communities in Massachusetts.

All persons who are recipients of public assistance and prepare their food at home are eligible to participate in the Commodity Food Program. Other individuals and low income families (the unemployed, pensioners, etc.) are eligible if they meet prescribed income standards and prepare their food at home. Certified families and individuals are issued identification cards to be presented at distribution centers for receipt of commodities.

A household or individual with income or liquid assets within the following limits is entitled to receive surplus food commodities:

<u>Number of Person in household</u>	<u>Net Monthly Income Limit</u>	<u>Maximum* Resources</u>
1	\$183.00	\$1,500
2	240.00	1,500

3	\$313.00	\$1,500
4	387.00	1,500
5	460.00	1,500
6	533.00	1,500
7	600.00	1,500
8	667.00	1,500
9	720.00	1,500
10	773.00	1,500

For larger households, add \$53.00 for each person in the household in excess of 10.

Maximum Allowable Resources

The maximum allowable resources - including both liquid and non-liquid assets - of all members of each household shall not exceed \$1,500.00 for each household with the exception of households with two or more persons. If one member is 60 or over and has resources not exceeding \$3,000.00.

In most major cities and towns, warehouses and distribution centers are open throughout the month, and recipients are instructed to report on a specified date to pick up their food commodities.

In the South End section of Boston, there is in operation a home delivery system to elderly and disabled recipients. Expansion of this program to the Allston-Brighton section of Boston is currently underway. In Lynn, a home delivery program conducted by volunteers has been highly successful. Similar "Drive to Serve" projects are operating in the Attleboro, Cambridge, Brockton, Lawrence, Lowell and Worcester area.

The Food Commodity Program's expected budget for Fiscal 1974 expenditures is \$2,675,000. In addition, there is a federal budgetary input of approximately \$580,000.

Section B - The Food Stamp Program:

The Food Stamp Program provides that needy households may buy domestically-produced foods in retail stores with coupons that have greater purchasing power than the cash sum for which they were purchased. The coupons are purchased at banks which elect to participate and are usable in stores authorized by the U.S. Department of Agriculture.

The Food Stamp Program has operated in the Commonwealth on a limited basis in 37 communities, and serves 29,000 households. Areas participating in the program are:

Barnstable County (15 towns)
 Chelsea
 Dracut
 Dukes County (7 Towns)

Everett
 Medford
 Melrose
 Nantucket
 Norwood (including 6 surrounding towns)
 Taunton
 Wareham

As with the Commodity Distribution Program, persons receiving public assistance are automatically eligible for the Food Stamp Program, as are other families whose income does not exceed prescribed limits and who live in a participating community. The income standards for eligibility for the Food Stamp Program have been identical to those used in the Commodity Distribution Program. Effective April 1, 1972, the U.S. Department of Agriculture defined new income standards to be used in the Food Stamp Program. It is the intention of the Department to adjust the Commodity Distribution standards to conform to the new Food Stamp regulations.

The new income limitations are as follows:

<u>Number of Persons in Household</u>	<u>Net Monthly Income Limit</u>	<u>Maximum Resources</u>
1	\$183.00	\$1,500
2	240.00	1,500
3	313.00	1,500
4	387.00	1,500
5	460.00	1,500
6	533.00	1,500
7	600.00	1,500
8	667.00	1,500
9	720.00	1,500
10	773.00	1,500

For larger households, add \$53.00 for each person in the household in excess of 10.

Maximum Allowable Resources

The maximum allowable resources - including both liquid and non-liquid assets - of all members of each household cannot exceed \$1,500.00 for each household, except for households of two or more persons with a member age 60 or over, whose resources cannot exceed \$3,000.00.

All families of the same size receive the same value of food coupons, but the cash amount paid to purchase the coupons varies according to

income. A mandatory expenditure of a specified amount of cash for food stamps can place strains on the strict budgets of the needy. For many families the amount required to pay for stamps can prove a real hardship. An elderly individual with an income of \$183, for example, must pay at most \$28, or one eighth of the monthly budget, to receive coupons worth \$38. For a family of four with an income of \$389, the mandatory allotment amounts to 23 percent of the family's monthly income--\$92 for stamps worth \$116 in purchasing power.

Stamps may be purchased twice monthly, and participants have the option to purchase one quarter, one half, three quarters or all of their allotment.

An additional hardship may be an inaccessibility of participating banks where food stamps can be purchased. At present, 11 banks are taking part in the program; there are 15-20 communities participating in the Food Stamp Program, in which there is no bank or bank branch. Recipients in these communities must travel to obtain their stamps. The Department signed an agreement early in 1972 with the Postal Service by which ten Post Offices in the Cape and island area distribute stamps, thus somewhat alleviating the travel problem.

The Food Stamp Program is budgeted for an expected Fiscal 1973 expenditure of \$410,000.

Section C - Comparing the Two Food Programs:

The following is a comparison of financial benefits to an individual, and to a family of four, under the two programs:

	<u>Family Size</u>	<u>Commodity Value</u>	<u>Recipient pays</u>	<u>Bonus Stamp Value</u>
Commodity Food Program (21 items)	4 - income \$373 per month	\$46.28 11.52 per person	\$ 0	NA
Stamp Program	4 - income \$373 per month	NA	\$88.00	\$24.00 6.00 per person
Commodity Food Program	1 elderly person income-\$178 per month	\$16,20	\$ 0	NA
Stamp Program	1 elderly person income-\$178 per month	NA	\$26.00	\$10.00

The food programs are now operating with a budget of \$2.4 million. \$2.1 million of this amount is provided by our State. \$350,000 is Federal money.

The Department has estimated that statewide operation of the Food Stamp Program would cost approximately \$6.5 million. To operate the Commodity Distribution Program throughout the Commonwealth would cost an estimated \$4.5 million.

The Department is presently studying the feasibility of expanding the Food Stamp Program statewide.

There are two major difficulties confronting such a move. First, is the potential high cost of bank/post office transactions; for example, the selling of stamps must be met with 100% State funds. Second, it will be necessary to computerize the operation because of complex distribution and accountability systems.

The advantages of an expanded Food Stamp Program are many. The potential and anticipated participation could approach 175,000 families who would be spending an average bonus of about \$20 more for food than they would without the program. That would mean that at least 3.5. million dollars per month extra would be funneled into the Massachusetts economy. It would also allow Massachusetts consumers (the participants) to purchase Massachusetts grown food (cranberries, apples, corn, etc.) and gathered produce such as fish and shell products. It would permit all participants to shop for foods that are compatible to ethnic, dietary and personal taste.

The presently dominant Commodity Food Program also has advantages. The primary one is that the distributed food is free to the recipient. The foods which provide the necessary nutritional values of the four major food groups - dairy products, grains, meats, fruits and vegetables - are meant to supplement the normal food purchases of a household. The foods are, contrary to the arguments of some individuals, identical in every way with the regular foods purchased in food stores. Only packaging is different.

The disadvantages of the Commodity Food Program are: 1. The difficulty in picking up and storing one month's supply of commodities; 2. Preparing meals compatible to ethnic or dietary needs solely from commodities. The program staff is constantly trying to minimize the first disadvantage by attempting to develop home services and more numerous satellite distribution centers. The second disadvantage is more a matter of how the food is used since commodities are meant to be a supplement and not the basis of an entire meal. In conjunction with the County Extension Services and Dietician or hospital staff, attempts are being made to alleviate some of these problems through cooking classes and low-key education programs.

PART V

CHILD SUPPORT ENFORCEMENT UNIT - FISCAL '73 IN REVIEW

Total responsibility for enforcing the child support obligation of legally responsible fathers whose children are receiving A.F.D.C. rests with the Child Support Enforcement Unit (C.S.E.U.). The effectiveness of this enforcement program can be illustrated by the financial results since the inception of support actions in August 1970. Approximately 20,000 absent fathers contributed \$17 million to the support of their AFDC children during Fiscal 1973. There has been a 47% increase in reported parent support since Fiscal Year 1970.

--Total Child Support Receipts

<u>Fiscal Years</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	\$11,667,743	\$11,792,610	\$14,403,015	\$17,015,723

--Cases Closed

<u>Fiscal Year</u>	<u>1973</u>	<u>Projected Yearly Cash Value of Cases Closed</u>
	2238	\$6,760,752

--Voluntary Withdrawals

<u>At Intake Following Interview with Child Support Unit S.S.A.T.</u>	699 (Projected savings not available)
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Federal Evaluation

On the plus side too, the Child Support Enforcement Unit was given an "Outstanding" rating in April by the Federal Program Review Team. Their study of the unit included field trips to the Haverhill, Norwood and Worcester Offices. At these offices they evaluated up to 50 support action cases.

Court Progress

Probate work which was started in Suffolk Probate Court in Boston in April resulted in an additional \$25,000 for the quarter ending June 30th. The CESU Unit was given credit by the following district courts for increasing their yearly total child support receipts: Lowell, 1st place in total receipts in Middlesex County; Salem, 1st place in Essex County; and Pittsfield, 4th place in the State, despite a population of only 57,000.

The new Chief Judge of the Probate Courts of Massachusetts has met with the Supervisory staff of the C.S.E.U. in relation to the matter of standardizing the procedures in the 14 probate courts. The cooperation, interest and concern of all judges in both district and probate courts has been most rewarding to this unit.

Problems

C.E.S.U. continues to face the problem of everchanging staff. Since 1971 it has lost 22 court social workers to better paying positions. Seven

have gone to probation jobs, three to other positions outside the Department, and twelve have been promoted within the Department. The solution lies in reallocation of these positions to Child Support Enforcement Worker, a new title at a Grade 15. We cannot expect to retain selected social workers who receive special training for court work unless they are rewarded for their expertise.

The Impact of Staff Shortages

Vacancies of several month's duration and uncovered areas result in reductions in child support collections. Support payments must be constantly monitored or else the paying father will assume the pressure is off and stop making payments or begin omitting a few.

Additional staff is needed for the uncovered areas. Requests for re-allocation of positions and additional staff are again in the Supplementary Budget under a separate Line Item. This unit will be able to recover at least \$20 million in Fiscal Year 1974 and possibly \$22 million for calendar year 1974, if the budget requests are granted.

There will also be a corresponding increase in the numbers of cases closed and dissuaded applications.

Conclusion

The CSEU has shown through aggressive, concentrated effort that enforcement of absent fathers' legal responsibility towards his children is not only feasible but that it can produce dramatic improvement in Child Support Receipts. The Unit will continue its upward trend in relation to AFDC Child Support Actions. Preliminary work has been done on the Child Welfare Program, the Department is providing for children in foster home situations and group placements.

The legally responsible parents of these children should be carefully screened in order to determine their capacity to contribute to their support.

In summation, adequate staff coverage means noticeable increases in Child Support Receipts.

PART VI

DEINSTITUTIONALIZATION

Deinstitutionalization is a term which defines a major policy of the Executive Office of Human Services and of the Department of Mental Health. This policy is aimed at accelerating the placement of residents and patients of State Mental Institutions--mainly the retarded and the mentally ill--in community based residences. This program direction has grown out of the belief, proven by experience, that community living is far more conducive to rehabilitation and development of disadvantaged persons than routinized institutional living.

When one department implements new policy, it often has major implications for other departments. In recognition of that fact and since the Department of Public Welfare has been serving both financial and social needs of many persons recently returned to community living, a program was set up in January 1973 under the leadership of Sumner Hoisington, Assistant Commissioner of Research and Planning. The purpose of this project was to examine the current inter-related issues and plan accordingly. A number of agreements and steps for new programs were developed and initiated. They were:

- 1) A new joint "umbrella" agreement with the Department of Mental Health to reorder the responsibilities of the two departments and to establish procedures that would be consistent with the planned separation of money payments and social services. Under the agreement, the Department of Mental Health assumes responsibility for developing and providing comprehensive social-medical-psychiatric services which will be required for individuals receiving treatment in a State facility and/or placed in the community. The Department of Public Welfare is responsible for accepting and processing the applications to determine eligibility for O.A.A., D.A. and M.A., and for maintaining those eligible for the above program.

The Department of Public Welfare will also provide limited and **specific** social services for those persons in the community who request and are found to be in need of protective services; this will include a referral service to the nearest Department of Mental Health facility. The new agreement emphasizes advanced program planning for full services to groups of persons who are being placed in the community.

- 2) An agreement to provide acute hospitalization payments for residents in State schools for the Retarded through the use of Medicaid funds for those eligible. A training session has been arranged for the staff of the State schools and for specially designated WSO's. As a result, it is hoped that relevant staff will be attuned to the objective of the program, which is to provide adequate health care for the mentally retarded resident under acute hospital circumstances. Under consideration at this time is the extension of this program to give similar coverage to patients in State Mental Hospitals.

- 3) An agreement providing for community placements and child welfare services for a selected population of residents of State Schools for the Retarded. Placement of these youngsters into community settings is a program being developed across the country as an alternative to institutionalization. Since one hundred and twenty-five children are in community residences, it is anticipated that over the next year the Department of Mental Health (and others) will develop greater knowledge of what is achievable for the development and care of these children. The Department of Public Welfare has cooperated in the planning stages of the project by providing its staff's knowledge of the needs of children in placement and in recruitment of foster parents, as well as about available funds.

The Assistant Commissioner for Medical Assistance, Melvin Scovell, became and continues to be intricately involved in the major efforts to certify mental health clinics for Title XIX benefits. The project involves the resolution of system issues among the Departments of Mental Health, Public Health, Public Welfare, the Rate Setting Commission and the Executive Office of Human Services. The result should be a program which will expand mental health services at the local community level in order to assist in servicing those in need and those recently being placed in the community from State Mental Institutions. In addition much-needed Federal reimbursement for those eligible services has been utilized. Previously, the total expenditure was absorbed by State funds. There will be an exploration of the same set of principles for the development and support of day hospital facilities, used by emotionally disturbed persons.

Cooperation has also been given to the Department of Mental Health for the implementation of another, less recent agreement, relative to foster home placement of the elderly.

The need to develop an adequate data base relative to costs of the program and to the outcome of placing people in community settings as alternatives to institutionalization has been a major concern.

PART VII

SEPARATION

Planning for the Separation of Social Services from Assistance Payments was accelerated in Fiscal Year '73. Early in the year, the planning effort was redesigned into a project approach. This new structure divided the Separation activities into five distinct areas. The five subdivisions of the Project are:

- 1) Separation: Planning and Implementation
- 2) Assistance Payments
- 3) Goal Oriented Social Services
- 4) Purchase of Services
- 5) Program and Financial Planning

Each of these subdivisions was to prepare plans for changing policy and procedures and organizational structures as each is affected by Separation and social service reform. All teams, in turn, answered to a project manager who was responsible for coordinating all planning activities related to Separation. This approach was deemed necessary since the planning for Separation has an effect upon all sections of the Department. The project structure also encouraged regional input to assure that the plans were realistic and not simply theoretically. The Separation task team structure consisted of regionally appointed project managers for Separation planning and implementation.

As the planning effort was developing, the Department contacted the Massachusetts Social Workers Guild in order to renegotiate those parts of the contract which would be changed by the proposed Separation plans. Contact was first made in October 1972; intense bargaining began in November 1972. An impasse was reached in the negotiating sessions in February 1973. Both parties agreed to undergo a mediation session which, if it proved unsuccessful, would be followed immediately by the fact-finding process. Mediation began in March 1973 and was followed by fact-finding. As the fiscal year ended, the fact-finding process continued with an end expected early FY'74. The major issues under discussion were:

- the use of the casebank method (workload) for assigning workers;
- the traditional caseload method for Assistance Payments workers;
- the work standards both in Assistance Payments and Social Services;
- the number of staff who would work in each system;
- a decision as to how staff would be selected to work in each system.

The period during which negotiations continued was used by the planning staff to resolve as many of the details of Separation as possible without a negotiated Union contract. The service planners were faced with the monumental task of trying to determine a service structure which was compatible with the new Federal Social Service Regulations, which, during FY'73, were changed twice. Implementation of the final regulations has been postponed until November 1973.

As FY'73 closed, the planning for Separation was almost complete, except for those issues which would be changed as a result of a renegotiated contract with the Massachusetts Social Workers Guild. FY'74 is to be the year of Separation.

PART VIII

LEGISLATIVE MATTERS

A development of historic importance in the field of social welfare occurred in October 1972, when the United States Congress enacted Public Law 92-603 which created a national financial assistance program for the aged, blind and disabled poor.

This, the first step in the long-sought federalization of public assistance programs, replaces 50 divergent programs with a uniform standard of aid throughout the nation. Beginning January 1, 1974, the new program, known as Supplemental Security Income, will provide \$130 monthly to an individual without income, and \$195 per month to a couple. After July, the payments will increase to \$140 for an individual and \$210 for a couple.

For about half the states in which payments currently do not exceed this level, the net effect of the new law is to transfer completely to the Federal government state assistance programs for the adult categories. For the remaining states, including Massachusetts, a supplementation plan must be instituted which assures that the level of payment remains at least as high as the level of December 1973.

A state may elect to have the Federal government, through the Social Security Administration, administer its supplementation program and thereby stabilize state costs in these three categories. Under Federal administration, the state's contribution will remain equal to the total of Calendar Year 1972 expenditures in the three programs--aged, blind and disabled--plus an increment to cover costs over the January, 1972 level of payment. In other words, the state will not be charged in the future for rising costs that would be incurred due to increased caseloads. In Massachusetts, it is estimated that a 25 percent increase will occur in the number of aged and disabled being assisted as a result of the new program, while the number of blind recipients should remain constant.

In conjunction with the new program, the General Court must also make certain decisions with respect to the Medical Assistance program. The Federal law creating the new Supplemental Security Income Program declared that no state would be required to provide Medical Assistance to persons who would become newly eligible as a result of the law. The Commonwealth may limit Medicaid coverage for the aged, blind and disabled to those who would have been eligible in January, 1972, or it may elect to extend coverage to all persons eligible after January 1, 1974.

The new program will have some impact on General Relief in that some new applicants for Disability Assistance will not meet the more stringent SSI qualifications and will therefore have to turn to General Relief for assistance.

The implementation of the new program is discussed in greater detail in Part IX of this report.

In the State Legislature in 1973, a cost of living increase was granted to recipients of Aid to Families with Dependent Children, Disability Assistance and General Relief for the first time in over three years. The Department supported, together with a coalition of organizations interested in public welfare issues, legislation that would have written into statute a regular cost of living increase for these three categories. (A similar provision now exists for Old Age Assistance recipients). The General Court disapproved the legislation in that form, however, and enacted a one time budget increase, which amounted to 3.8 percent.

Another measure would require the Department to notify foster parents when a child placed in their care has become eligible for adoption, in order that they may be considered potential adoptive parents. The new law writes into statute a practice which the Department has been pursuing. It does not, however, give the foster parents preferential rights in the adoptive process.

The Legislature also repealed a law which prohibited the sale of alcoholic beverages to persons receiving public assistance. The law had been on the books since 1933.

Late in the session, House Speaker David M. Bartley appointed a special seven-member legislative commission to investigate the feasibility of applying some of the principles of recent welfare legislation in California to the Commonwealth.

The Department of Public Welfare's appropriation for Fiscal Year 1974 was \$904.7 million.

PART IX

IMPLEMENTATION OF PUBLIC LAW 92-603

PL 92-603, enacted in October 1972, creates a national assistance program for needy aged, disabled and blind persons. It becomes effective January 1, 1974. As described in the section on Legislation, this far-reaching social welfare law required action from the Commonwealth because it allowed the states certain options with regard to supplementation of the basic Federal payment and Medicaid eligibility determinations.

Because of the complexity of the complexity of the Legislation, an HR-I task force was established in the Office of Research and Planning to deal with these issues.

In April, the Department published a report entitled Analysis of Public Law 92-603 (HR I) and its Implications for the Commonwealth of Massachusetts. This report was widely distributed and proved very useful for both informational purposes and as a means of identifying particular problem areas for further analysis.

Supplementation

The Commonwealth proposes to supplement the basic monthly Supplemental Security Income payments of \$130 for an individual and \$195 for a couple to an extent commensurate with December 1973 assistance levels. For a person without countable income, living alone and paying the full cost of his living expenses, total dollar assistance will be \$223.50 (aged), \$214.90 (disabled), and \$242.50 (blind). The State supplement will be that portion of the total assistance payment which exceeds the Federal contribution.

A recipient is nearly always eligible for a full state supplement if he is eligible for Federal SSI payment. And, he may still be eligible for a state supplement even when his countable income makes him ineligible for a Federal payment. This would occur when countable income is equal to or greater than the Federal amount to which the recipient would be entitled if he had no countable income.

The Commonwealth plans to contract with the Social Security Administration to administer the supplement. The SSA has agreed to make eligibility determinations and to administer a supplement selectively by living arrangement for aged and disabled persons and, uniformly, for blind persons. The advantage of this arrangement is that SSA will assume administrative responsibility for the program, and Federal funds will finance a share of the cost of supplementation. Specifically, Federal funds will finance costs that exceed 1972 State expenditures for payments that do not exceed the January 1972 adjusted payment levels for each category of assistance. Federal financial participation will protect the Commonwealth from rising costs attributable to caseload growth. The General Court is considering legislation to implement the proposed supplementation plan.

Conversion

In order for the SSI program to be implemented on January 1, 1974, information had to be transcribed on forms for submission to the SSA. This massive effort was managed out of the Project Management Office and the Office of Research and Planning. It has been accomplished by departmental employees largely on an overtime basis.

With few exceptions, conversion of the OAA and DA caseloads will have been completed by the start of the new assistance program on January 1, 1974. In the meantime, local Social Security Offices have begun to take applications from potential new recipients.

Medical Assistance

As explained in a previous section of this report, the Social Security Amendments of 1972 permit the Commonwealth to restrict Medicaid coverage for the aged, blind and disabled to those who would have been eligible under the Medicaid standards in effect in January, 1972. Medicaid coverage for families and children would continue to be provided much as it is now. The Department found, however, that although this type of medical assistance plan might conceivably cost less than continuing the present Medicaid program, it would be much more complicated and costly to administer. Moreover, it would be extremely inequitable; many medically needy persons would find themselves poorer after receiving Medicaid than a cash assistance recipient with identical medical expenses.

After studying other possible alternatives, the Department proposed, and legislation now before the General Court provides, that in Massachusetts Medicaid continue to be made available automatically to all recipients of Supplemental Security Income for the Aged, Blind and Disabled (SSI) and Aid to Families with Dependent Children (AFDC). The Department also proposed the continuation of Medicaid for the medically needy so that persons who would be eligible for cash assistance if they had less income or fewer resources could continue to be eligible for medical assistance when medical expenses become too great a strain on income.

Beginning on January 1, 1974 the income standards for the medically needy will change somewhat. The current protected income levels of \$199 per month for an individual, \$236 per month for a family of two, and \$56 per month for each additional dependent will be raised to reflect the higher payments of the SSI program. The proposed new levels are \$243 per month for an individual, \$340 per month for a couple, and \$50 per month for each additional dependent. Therefore, beginning on January 1, 1974, a medically needy couple, for example, would be protected from medical expenses which would reduce the couple's income for six consecutive months below \$2040 ($\340×6 months).

PART X

LEGAL DIVISION

The Legal Division, in Fiscal Year 1973, was expanded from seven to thirteen staff Attorneys. This increase has had a significant effect in the Department's advocacy role regarding children. The Legal Department presented over 1,000 care and protection and custody petitions on behalf of children who have been deprived of adequate parental care due to the death, incapacity, or unfitness of their natural parents.

The most immediate benefit of the expansion of the Legal staff has been felt in the legal process of making children available for adoption. These are cases where parental neglect has been longstanding and adoption is the only method by which these children can have a permanent and secure home. The Legal Department was active in influencing the legislature to change the adoption laws in late 1972.

The changes effected permit the Department to make children available for adoption after only one year in foster care if there has been no contact by their parents. Petitions for these adoption consents can be brought into all Probate Courts in the Commonwealth and not, as before, only in the congested Suffolk Probate Court. With improved systems control of the division's case records, and better communication with the Family and Children's Service offices, there are now over 250 petitions for adoption consent filed in seven various Probate Courts. These petitions are being given priority and careful scheduling so that each of these 250 children will have a permanent home available by the end of June 1974.

The Division is currently actively participating in the implementation of the recommendations of the Gruber Report, designed to improve children's foster care programs. The Division has taken a leadership role in working out the difficult problems involved in dealing with the expanded rights of foster parents of potential adoptive children and fathers of illegitimate children available for adoption. The Division processed 502 adoption petitions in the last fiscal year.

In cases involving non-support by fathers of children on assistance, the Division has provided increased legal assistance to the child support unit. Recent Court decisions mandate legal counsel for persons subject to contempt of Court decrees as a result of failure to obey Court ordered support of their families. Pressure by the organized bar has limited the role of the Court social worker to the extent that they cannot appear in Suffolk Probate Court and are limited in their activities in the other courts. The assignment of an Attorney to prosecute non-support cases in Suffolk Probate Court has resulted in the projected handling of 500 cases in that Court, with an estimated recovery of \$1,250,000 in Calendar Year 1973. The Division is studying the effect of proposed legislation which defines rules and formula to limit the punitive power of Judges involved in support cases and to establish uniformity among Judges in the amount of support a father should be ordered to pay. This progressive legislation should prove to be of benefit to the Department.

The Legal Division's program of recovering medical assistance benefits paid to recipients who have since deceased and left property in their estates expanded during the fiscal year. Recoveries amounted to \$153,000 this fiscal year, as compared to \$45,000 in Fiscal Year 1972.

The Department, in cooperation with the fraud recovery section of the Attorney General's Office, has initiated a civil recovery program. This program involves recipients who have collected benefits fraudulently but for whom criminal prosecution is not recommended because of justifiable reasons such as advanced age or illness of the offending recipient. Four cases were initiated as civil actions and a total of \$32,000 was recovered in the Court action.

The Legal Division recovers reimbursements for assistance granted to recipients as a result of accidents and injuries for which a third party may be liable. During the past year the Division settled cases amounting to the recovery of \$726,600. The categorical breakdown of the recoveries is as follows:

Workmans' Compensation Cases	\$429,500
Automobile Accident Cases	268,800
General Liability Cases	28,300
TOTAL	<u>\$726,600</u>

The Legal Division, in cooperation with the training division, prepared a manual of Massachusetts Laws related to children and conducted legal training seminars for new social workers throughout the Department. In addition, a manual of laws relating to non-support of families was compiled and a training session for child support workers in the Lawrence region was conducted. The training program is to be expanded to include training of new attorneys as well as to provide continual training of new social workers.

A series of informational articles describing recent changes in Massachusetts and Federal law as well as Court decisions affecting all aspects of social welfare and delivery of social services was published in the "HOTLINE."

The Legal Division participated in the hearing of third step employee grievances filed by the employee unions. The Division is participating in a study of controversial and legal problems relating to the effective supervision of employees.

For the Legal Division, this fiscal year was a year of growth and development. The Division anticipates the accomplishment of its goals in its children's advocacy role in the 1974 Fiscal Year. Significant improvements in the areas of labor relations, arbitration hearings, medical assistance programs, and civil recoveries in recipient fraud cases are anticipated in Fiscal Year 1974.

PART XI

PROJECT MANAGEMENT OFFICE

Section A - An Overview of the Project Management Office:

The principal purpose of the Project Management Office is to assist the Commissioner by defining, monitoring, and assuring successful completion of priority projects. The Project Management Office (PMO) has played a key role in department-wide project definition and reporting. It has also assisted the Commissioner by providing timely information regarding priority projects, facilitating quick and effective decision making.

Of all the projects handled by PMO during Fiscal Year 1973, the most prominent has been the Financial Management Control System. Others are the Social Services Management System and the Personnel Resource Information Management System.

Section B - The Financial Management Control System:

The Financial Management Control System (FMCS) is actually a group of related projects under the control of the Project Management Office. The two largest projects have been the Recipient Payment System and the Vendor Payment System. Smaller projects or projects in earlier stages of growth are: The Food Stamp Project and H.R. I.

1. RECIPIENT PAYMENT SYSTEM

The Recipient Payment System (RPS) was the first FMCS project undertaken by the Project Management Office. RPS consists of centralized and automated financial assistance to eligible recipients. Input to the system consists of an SS9A Authorization Form filled out by a social worker to open, close, or change the recipient's record on the master file. The SS9A authorizations for each Welfare Office Office (WSO) are sent to the Regional Data Control Unit (RDCU) in the Regional Office to which the WSO is assigned; here, the SS9A's are edited and key-entered onto magnetic tape. The data on the tapes is then transmitted over telephone lines to the computer at 43 Hawkins Street, Boston, and processed to update the recipient master file. This master file is the basis for computer-generated checks which include recipients' semi-monthly checks, and retroactive payments and daily emergency checks as well as quarterly checks for AFDC and CRP recipients. The basic RPS became fully operational statewide in mid-August, 1972.

From mid-October to mid-November, 1972, automatic grant increases for cost-of-living were issued to OAA recipients using RPS. At the same time, all recipients receiving OASDI benefits from the Social Security Administration had their grants adjusted for the increase in Social Security benefits which became effective in October. A similar adjustment was made for widow/widower benefits which were increased in February, 1973.

The interim Recipient Payment System, which became operational in January, 1973 permitted full case information to be entered on the master file to provide accurate eligibility information for issuing

accurate grant payments, medical eligibility identification cards, and payment of vendor bills. The increased data capability included critical case information such as the recipient's sex, date of birth, Social Security claim number, budget grouping, and required dependent data such as, name, sex, date of birth, etc.

By February 1973, all Medical Assistance Only cases were added to the recipient master file. The first Medical Eligibility Cards were issued by computer in February to all Public Assistance and Medical Assistance recipients.

A significant objective was achieved in June, 1973, when the Boston master file was merged with that for the rest of the State. As a result, prevention of duplicate payments became automatic for the entire State. Another system of controls was installed in April, 1973, when the duplicate Social Security number detection system became operational. This system alerts field personnel to situations where a recipient may be receiving assistance in category combinations not authorized.

The first phase of our data exchange with the Social Security Administration (SSA) became operational in late June 1973. Bendex (Beneficiary Data Exchange) is a HEW system for exchanging recipient eligibility data such as Social Security claim number, Social Security beneficiary payments, Old Age Security and Disability Insurance, sex, date of birth, etc. An initial file was sent to SSA in Baltimore earlier in the year. The first utilization of SSA furnished information to correct claim number, beneficiary payments, etc.

Another data exchange system to become operation on July 1, 1973 is the matching of Public Assistance and Medical Assistance recipients with the Division of Employment Security (DES) payments of unemployment compensation. This system will provide intake workers with recipient income data and eliminate manual information requests, formerly made to DES.

A much improved General Relief payment system for employable recipients who must pick up their checks at DES was developed. This system will become operational in August, when the file of all GR recipients throughout the states will be integrated with the RPS master file.

2. VENDOR PAYMENT SYSTEM

In July, 1972, Project GRABB (Gather, Report, and Batch the Backlog) was implemented as a precursor to the Start-up Vendor Payment System (SVPS). This project established standard statewide procedures for sorting out and forming batches of medical invoices to facilitate their payment. In addition it prepared the Welfare Service Offices for conversion to the SVPS. By October, 1972, a standard manual claims processing procedures were established.

Completion of the development of the manual processing for the Massachusetts Medical Provider Payment System concept was achieved during August. The basic concept provided for standard batching of the medical invoices following a preliminary pre-edit and sending the batches to a payment location for final processing.

In January 1973, the Start-up Vendor Payment System was implemented following approval of this system by the House Ways and Means Committee. Completion of the eligibility file for the medically needy was achieved, and the first issuance of Medical Eligibility Cards occurred during February 1973.

Subsequently, permission was obtained to occupy two buildings of the former Lyman School for Boys. This was designated the Medical Claims Control Center. Transferred personnel started the processing of medical invoices in mid-March of 1973. By April, further standardization of automatic claims processing procedures was established and the SVPS was in operation by mid-May 1973. Immediate improvements were made to the system and SVPS was expanded to accept magnetic tapes of invoice data directly from hospitals. Just prior to the end of this fiscal year, the Phase I design for the sub-system to make payments to vendors through the Comptroller was initiated.

3. FOOD STAMP PROJECT

The Food Stamp Project was established as the result of an intra-agency agreement between the Department of Public Welfare, the Office of Elder Affairs, and the State Economic Office (Department of Community Affairs). It was funded through a grant by the Office of Economic Opportunity (OEO). Its purpose is to evaluate the effectiveness of existing Food Programs (Commodities Distribution and Food Stamps), to analyze the conversion of Massachusetts to a statewide Food Stamp Program and to determine the requirements for automating such a program (utilizing RPS systems and capabilities).

The project staff was formed from March through June of 1973. A preliminary feasibility study was reported in late June. This study compared the benefits and problems in Commodities Distribution Program with Food Stamp Program. A revised project plan will be issued in July 1973, and the Feasibility Study Report will be issued in August.

4. HR-I CONVERSION

In accordance with P.L.92-603 passed by the Congress last year, all recipients of Old Age Assistance (OAA), Disability Assistance (DA), and Aid to the Blind (AB), will receive cash payments directly from the Social Security Administration (SSA), commencing on January 1, 1974. On this date, payments of OAA, DA, and AB grants by Massachusetts and all other states will cease and Supplemental Security Income (SSI) payments from SSA will commence. This Federal mandate requires that the Department furnish SSA a conversion file of all OAA and DA cases. The data required for conversion will come from two sources: the RPS master file and the recipient's case folder.

Project staffing commenced in June. The computer generated control file will be delivered in mid-July. Field training of personnel who will perform the manual data conversion is also scheduled for July. The Department anticipates delivering the required data on all OAA and DA cases by mid-September 1973.

Section C - The Social Services Management System:

The Department is in the process of implementing a management information system for the delivery of social services to welfare and welfare-related clients. The system, once completed, will be made up of three major sub-systems. These are designed to: provide information for monitoring purchased services, both contracted and non-contracted; provide data on costs incurred by the Department for its own delivery of services; and allow the Department to monitor and evaluate the provision of services and service programs administered by the Department. Also, this system, when fully operational, will enable the Department to rationally develop a program and financial plan (budget) for social services as well as monitor the implementation of the plan. Finally, the system contains the capacity for tracking children as they move through various child welfare facilities and/or receive services.

1. The Non-Contracted Purchase of Service Sub-System:

This system will be able to monitor payments made by the Department for foster care, institutional care, non-contracted day care, home-maker and chore services. In addition, it will validate standard invoices and generate various types of fiscal and client information reports. This system can be implemented once sufficient staff has been assigned to this project.

2. The Cost-Information Sub-System:

This system can summarize costs incurred by the Department for the services delivered by both public and private agencies, including the Department. Costs which are summarized by types of services and client categories, meet H.E.W. requirements for cost reporting and meet the requirements of the Revenue Sharing Act. Although this system is in operation with respect to fulfilling Federal requirements, it needs some modifications and will also be expanded to generate information such as cost rates for services, etc.

3. The Social Service Information System:

When this Sub-System of the Social Services Management System is completed, there will be a new service plan designed to generate comprehensive information on clients, their needs, goals, problems, and services to be provided, etc. It will allow the Department to monitor and evaluate activities on these plans.

The Social Services Management System is being implemented through the Project Management Unit, which is responsible for the system.

Section D - Personnel Resource Information Management System:

Project Prim is the acronym for the Personnel Resource Information Management System under development. The goal of this system is to provide accurate, up-to-date information on the distribution of staff positions, the status of each position, the position holder's name if the position is occupied, plus certain profile data on each holder. If the position is vacant, the date the position was vacated will be displayed.

The initial phase of this program will be to establish a basic Personnel Resource File. This will be accomplished by collecting the data indicated on the devised Personnel Locator Form. This form will provide the necessary information to establish an automated Personnel Master file. New data reflecting hirings, promotions and other personnel actions will be added once the basic information is reconciled and its validity is assured.

1. The start-up procedure will follow these guidelines:

- . Data will be collected on the Personnel Location Form by staff at the service and regional offices. The Personnel Locator Form will be keytaped data, transmitted over data phone and received by the Central Data Processing Unit. Information is not considered acceptable until regional records and the central personnel records are reconciled. Data conforming to all the established parameters will become an integral record on the Personnel Master File.
- . Project PRIM will not replace the existing personnel process. The procedure for changing information will continue to follow the guidelines in the Personnel Procedure Manual.

2. Once PRIM is established and under way, it will provide benefits:

- . It will provide the Department with regular reports on the status of each and every position, on the location and on the employee presently filling the position.
- . It will produce reliable and up-to-date vacancy reports, showing the fillable positions in each region.
- . For purposes of Federal reimbursement, it will provide breakdowns of personnel providing services and assistance payments. Once selections of personnel have been completed for Separation, computerized print-outs will be issued to each region and office.

3. The following types of information will be available as initial steps are completed:

- . Each employee's sick leave and vacation status on a monthly or quarterly basis;
- . A report of new employees, transfers, changes in position status, leaves of absence, and terminations;
- . Current budget data and data for future budget requirements;
- . Computation of unused funds (vacant periods of positions, leave without pay, etc.) referred to as "tailings," which can be used to justify unfreezing pre-June 25 positions as well as other hiring;
- . Reports required for equal employment purposes.

PART XII - STATISTICS

SECTION A - EXPENDITURES OF FUNDS APPROPRIATED - FISCAL 1973

Item No.

4400 - 1000	<u>WELFARE ADMINISTRATION</u>	
	Permanent Employees	\$40 255 905
	Temporary Employees	4 245 841
	Consultants - Medical and Professional, Bank Charges - Food Stamp Program, EDP Services, Services of Police and Janitors, Travel of Students and Volunteers	875 220
	Trucking and Warehouse Costs - Food Distribution Program, Food for Temporary Home for Women and Children	749 143
	Housekeeping Supplies and Expenses	34 996
	Heat, Light, etc.	159 991
	Travel of Employees and Expenses of State Cars	607 500
	Advertising and Printing	151 000
	Repairs - Office Equipment and State Cars, Alterations, Electrical Work, etc.	71 392
	Miscellaneous Expenses - Moving Costs, Staff Training	37 970
	Office and Administrative Expenses - Postage, Supplies, Telephone	1 797 039
	Furniture, Office Equipment, State Cars	61 199
	Rental of Space, EDP Equipment, Xerox, Office Equipment	3 613 496
	<u>SUB-TOTAL</u>	<u>\$52 660 692</u>

EXPENDITURES OF FUNDS APPROPRIATED - FISCAL 1973 (Continued)

Item No.

4400 - 1010	Medical Assistance Advisory Council	\$ 254
4400 - 1011	Vendor Payment System	756 073
4400 - 1061	Social Services Administrative Unit	428 882
4400 - 1310	Certain Existing Social Services	2 137 023
4400 - 2000	Grove Hall Project	507 769
4401 - 1000	Care and Maintenance of Children	25 459 566
4401 - 1120	Foster Care and Adoption Study	31 423
4401 - 2000	Tuition (Paid to cities and towns for children under care of Department)	1 650 000
4402 - 1000	Care of Totally Disabled Persons (Patients at Tewksbury Hospital)	49 379
4402 - 2000	Care of the Aged (Patients at Tewksbury Hospital)	80 121
4402 - 3000	Medical Assistance and Old Age Assistance (Patients at State Mental Hospitals)	13 349 390
4402 - 4000	Medical Assistance Reimbursement to Cities and towns	74 726
4402 - 5000	MEDICAL ASSISTANCE	421 086 081
4403 - 2000	AID TO FAMILIES WITH DEPENDENT CHILDREN	286 396 900
4405 - 2000	OLD AGE ASSISTANCE	73 494 650
4406 - 2000	GENERAL RELIEF	68 999 200
4407 - 2000	TOTALLY AND PERMANENTLY DISABLED PERSONS	45 300 000
4409 - 3000	Other Forms of Assistance - Resettled Cuban Refugees - 100% Federal reimbursement	1 902 332
	Donated Funds	1 828 208

SUB-TOTAL

\$943 531 977

GRAND TOTAL

\$996 192 669

SECTION B - CASELOADS

AVERAGE MONTHLY

CASELOAD FIGURES - FISCAL 1973

	<u>1972</u>	<u>1973</u>
OLD AGE ASSISTANCE	62 028	56 550
AID TO FAMILIES WITH DEPENDENT CHILDREN	79 618	83 952
MEDICAL ASSISTANCE	226 352	237 224
DISABILITY ASSISTANCE	22 162	25 249
GENERAL RELIEF	32 006	22 681
CARE AND MAINTENANCE OF CHILDREN	11 403	10 784
 TEWKSBURY HOSPITAL		
DISABILITY ASSISTANCE	6	3
OLD AGE ASSISTANCE	11	7
<hr/>	<hr/>	<hr/>
TOTAL	17	10
 MENTAL HEALTH		
MEDICAL ASSISTANCE ONLY	1 885	1 679
OLD AGE ASSISTANCE	698	591
<hr/>	<hr/>	<hr/>
TOTAL	2 583	2 270

SECTION C - MEDICAID COSTS

General Relief and Title XIX - Medicaid
Medical Assistance Payments to Vendors of Medical Care
Massachusetts, Fiscal Years 1972 and 1973

Vendor	Total 1972 Medical Payments	Total 1973 Medical Payments	Change 1972 - 1973	
			\$	%
1. Licensed Nursing Homes	\$103 529 300	\$134 164 612	+\$30 635 312	+29.6
2. Acute Hospitals - inpatients	\$ 98 073 584	\$104 766 808	+\$ 6 693 224	+ 6.8
3. Chronic Hospitals - inpatients	\$ 52 166 599	\$ 59 950 777	+\$ 7 784 178	+14.9
4. Drugs	\$ 27 822 675	\$ 29 457 280	+\$ 1 634 605	+ 5.9
5. Dentists	\$ 20 271 854	\$ 21 350 679	+\$ 1 078 825	+ 5.3
6. Physicians	\$ 25 539 237	\$ 24 995 926	-\$ 543 311	- 2.1
7. Out Patient Depts.	\$ 20 810 607	\$ 22 727 709	+\$ 1 917 102	+ 9.2
8. Public Medical Institutions	\$ 5 417 374	\$ 7 276 795	+\$ 1 859 421	+34.3
9. Other Licensed Med. Practitioners	\$ 7 288 223	\$ 7 702 197	+\$ 413 974	+ 5.7
10. Lab. and Rad. Services	\$ 1 714 002	\$ 1 885 625	+\$ 171 623	+10.0
11. Intermediate Care Facilities <u>1/</u>	----	\$ 42 711 545	+\$42 711 545	--
12. Others Not Classified	\$ 8 246 649	\$ 9 703 632	+\$ 1 456 983	+17.67
TOTAL	\$370 880 104	\$466 693 585 <u>2/</u>	+\$95 813 481	+25.8

1/ Not paid out of MA or GR-Medical fund prior to Fiscal Year 1973.

2/ Includes: \$421 086 081 from the Medical Assistance account,
\$49 379 from the Tewksbury Hospital-Disability Assistance account,
\$80 121 from the Tewksbury Hospital-Old Age Assistance account,
\$13 349 390 from the Mental Hospitals account,
\$74 726 from the MA Reimbursement to Cities and Towns account,
\$1 807 834 from the Care and Maintenance of Children account and
\$30 246 054 (estimated) from the General Relief account.

SECTION C - MEDICAL COSTS

General Relief and Tift - Medical
Medical Assistance Payments to Vendors of Medical Care
Maximums: Fiscal Years 1972 and 1973

Vendor	Total 1972 Medical Payments	Total 1973 Medical Payments	Change 1972 - 1973
Admitted Living Homes	\$701,558.800	\$734,184.815	+32,626.015
Home Hospitals - Insurance	\$2,987,073.284	\$2,904,788.800	-82,284.484
General Hospitals - Insurance	\$2,932,105.499	\$2,898,887.737	-33,217.762
General - Insurance	\$8,872,822.078	\$8,447,487.880	-425,334.198
General - Insurance	\$2,070,711.124	\$2,341,360.679	+270,649.555
General - Insurance	\$2,821,439.205	\$2,881,882.958	+60,443.753
General - Insurance	\$2,231,810.007	\$2,552,757.708	+320,947.701
General - Insurance	\$2,841,371.371	\$2,727,758.758	-113,612.613
General - Insurance	\$2,728,523.523	\$2,770,512.127	+41,988.604
General - Insurance	\$2,718,002.002	\$2,188,658.658	-529,343.344
General - Insurance	---	\$42,717.848	+42,717.848
General - Insurance	\$2,824,882.882	\$2,774,824.824	-50,058.058
General - Insurance	\$639,847.144	\$468,882.882	-170,964.262

Medical costs of MA or CR medical fund prior to Fiscal Year 1971

General Relief - \$427,000.000 from the Medical Assistance account
General Relief - \$427,000.000 from the Medical Assistance account
General Relief - \$427,000.000 from the Medical Assistance account
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